

Carolina. And there was never the slightest hostility.

In short, Mr. President, I liked Terry Sanford. He has undeniably left his mark upon the destiny of the state he loved—and certainly upon Duke University which was the multi-million dollar beneficiary of his skillful fund-raising ability.

He lived life to the fullest; he was a man who loved his family and his country. If he ever wasted a moment, I am not aware of it.

Mr. President, I ask unanimous consent that The Washington Post report of Senator Sanford's death, published April 19, 1998, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 19, 1998]

TERRY SANFORD, EX-U.S. SENATOR AND N.C.

GOVERNOR, DIES

(By Martin Weil)

Terry Sanford, 80, a former governor of North Carolina and president of Duke University, whose career as a widely admired and respected Democratic political leader culminated with a term in the U.S. Senate, died of cancer yesterday at his home in Durham, N.C.

An amiable man, loyal to his party but known also for independent thinking, Gov. Sanford became known early in his career for an ability—based on both personality and principle—to achieve substantial political success in a political environment often thought uncongenial to the moderate or progressive views he espoused.

This, and his high profile leadership at Duke, attracted the interest and support of many Democrats both inside and outside his native North Carolina, who saw him as representing their party's possibilities of survival in the South, at a time when a Republican tide was sweeping through what had once been a solidly Democratic region. Ranked in a Harvard University study as one of the 20th-century's most creative governors because of his achievements in the statehouse from 1961 to 1965, Gov. Sanford made forays onto the national stage in the 1970s; in 1972 and in 1976, he sought unsuccessfully his party's presidential nomination.

Gov. Sanford's inoperable cancer was diagnosed in December. He underwent a second round of chemotherapy last week before being discharged on Wednesday from the Duke University Medical Center.

Heart valve surgery during his campaign for reelection to the Senate made his health a campaign issue at that time, and was believed to have contributed to his defeat. Indeed, his election to the Senate in 1986 was seen as a kind of last hurrah for a 69-year-old whose electoral career had seemed to peak years before.

In the Senate, he had made a mark for the forcefulness of his opposition to the Supreme Court nomination of Robert H. Bork. He was also remembered for taking a strong stand in opposition to the nation's embarking on the Persian Gulf War.

It was Gov. Sanford's reputation as a moderate among his fellow Senate Democrats that led them to choose him in 1988 to respond to a speech by President Reagan attacking the campaign against the Bork nomination.

"We are tired of having our integrity impugned," Gov. Sanford said in what was viewed as an eloquent defense of the Senate's right to withhold its consent from presi-

dential nominations. "We are tired of having our sincerity questioned. We are tired of having our intelligence insulted."

The speech, coming from a man who could not be readily characterized as an extremist, was viewed as a landmark in the campaign that led to the rejection of the nomination.

Even after his 1992 defeat at the hands of Republican Lauch Faircloth, Gov. Sanford, a paratrooper in World War II, had continued a life of vigorous activity.

He had been president of Duke from 1969 to 1985, a tenure of unusual duration in one of the most turbulent periods for American higher education. After his defeat, he taught classes there in government and public policy, wrote books, held the rank of senior partner in a law firm, and served as a director of charitable, legal and educational organizations.

Gov. Sanford was born Aug. 20, 1917, in Laurinburg, N.C. where his father was a merchant and his mother taught in the public schools. Dishwashing helped him pay his way through the University of North Carolina in Chapel Hill, from which he graduated in 1939. He served in 1941-42 as an FBI agent.

Shortly after the United States entered World War II, he went into the Army; he became a paratrooper, and was involved in five major campaigns in Europe, including the Battle of the Bulge, rising from private to first lieutenant. He held the Combat Infantryman's Badge, the Bronze Star and the Purple Heart. A back injury that plagued him for the rest of his life stemmed from his paratrooper service.

After the war, he graduated from law school at Chapel Hill, served as assistant director of the university's Institute of Government and began the private practice of law in Fayetteville. He served in the state senate in 1953 to 1955.

During his years as governor, he focused on improving public education. He advocated legislation to raise teacher salaries and create a community college system and was known then as one of the nation's "education governors."

He financed many of his improvements with a sales tax on food that he justified in a speech as a "small measure of sacrifice . . . that would swing open the doors to our children . . . and provide the opportunities that will put this state in the front ranks of our community of states."

He was credited with starting an antiproverty program, with helping to defuse tensions over race by setting up Good Neighbor Councils and with calling for employment without regard to race, creed or color. It was Gov. Sanford who was credited with launching North Carolina's State Board of Science and Technology to help convert scientific advances into new techniques for the state's industries.

North Carolina Gov. James B. Hunt Jr. said Gov. Sanford's optimism and commitment to excellence in public education "have changed us forever."

Hunt said that in 1960 he "plugged into the campaign to elect him governor and to me he was the best one ever."

In his first month as Duke president, he showed the flexibility that enabled him to survive and harness the currents of protest that unseated many of his colleagues.

Students blocked traffic in a protest of the shootings of students at Kent State University in Ohio during a Vietnam War protest. Gov. Sanford seized a bullhorn, endorsed the students' anger, but advised: "Don't fight us. Let us all fight Washington together."

Later, the students threatened to take over the school's main administration building. "Great," he said. "Take me with you . . . I've been trying to occupy it for a month."

After stepping down in 1985 from the presidency at Duke, Gov. Sanford was elected to the U.S. Senate.

Survivors include Sanford's wife of 52 years, Margaret; his son, Terry Sanford Jr.; his daughter, Betsee; two grandchildren; and two sisters.

Mr. HELMS. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

#### EDUCATION SAVINGS ACT FOR PUBLIC AND PRIVATE SCHOOLS

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H.R. 2646, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2646) to amend the Internal Revenue Code of 1986 to allow tax-free expenditures from education individual retirement accounts for elementary and secondary school expenses, to increase the maximum annual amount of contributions to such accounts, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The distinguished Senator from Delaware, Mr. ROTH, is recognized.

Mr. ROTH. I thank the Chair.

Mr. President, I am pleased that we have entered into a unanimous consent agreement with respect to H.R. 2646, the Parent and Student Savings Account Plus Act. It is good to see us moving at last toward passage of this significant bill. The importance of giving American families the resources and means they need to educate their children must be above politics.

As I have said before, this bill empowers families—not the federal bureaucracy. It gives resources to the children, not to a monolithic establishment that has grown overbearing and antiquated on a diet of government subsidies.

This bill is a much needed change in the way Washington looks at the education of children. It returns parental involvement to where it should be—at the very foundation of their children's education. It lets them use their money to educate their children, allowing them to put their own money into their own Parent and Student Savings Accounts."

This bill acknowledges that the best thing taxpayers can do with their hard-earned money is to earmark it for the education of their children.

It allows them to increase their contributions from \$500 per year to \$2,000 per year. It allows for withdrawals to be used for elementary and secondary education expenses. And it covers public and private schools.

The bill also makes state-sponsored prepaid tuition programs tax-free, not tax-deferred, meaning that students will be able to withdraw on a tax-free basis the savings that accumulate in their pre-paid tuition accounts. Parents will have the incentive to put money away today and their children will have the full benefit of that money tax free tomorrow.

Toward promoting these important objectives, the federal government must lead, follow, or get out of the way. Our states and communities—our families—are embracing innovative educational programs. They realize the old way isn't working. Already, forty-four states have pre-paid tuition plans in effect, and the other six have legislation to create a state plan, or they have implemented a feasibility study.

Many cities and states are offering families the power of choice when it comes to selecting what school their children will attend. Others are embracing programs that make private schools more accessible.

These measures are having a positive impact, but there is much more to be done, and the federal government must demonstrate its leadership. Let's be bold, Mr. President. The National Center for Education Statistics states that in our children's pre-school years, parents are active in preparing them for school. Almost three-quarters of all parents read to their children regularly. A full 60 percent are active in teaching them to recognize letters and numbers.

Interestingly enough, this active parental involvement begins to fall off once the child has entered school. Perhaps this is because government has put itself in the position over the years where it has come to assume parental responsibility, and even frustrated parental participation. "Give us your money," government has said. "We'll educate your children. We'll make decisions concerning how your precious resources are spent, concerning what will be emphasized—how it will be taught, and by whom."

This has led to a condition where—according to one of the most extensive studies ever conducted on the forces that affect youth and their performance in school—nearly one in three parents in America is seriously disengaged from his or her adolescent's education. How can it be that while three-quarters of all parents are active in preparing their pre-school children for their educations, only one-third remain active when their child enters adolescence?

The answer is simple: parents have become disenfranchised. They have been robbed of the resources they need to make the kinds of decisions that will keep them active in the educational attainments of their children.

According to Lawrence Steinberg, the educator who conducted the extensive study of more than 20,000 teenagers and their families in nine very different American communities, "The failure of our educational policies is due to our obsession with reforming

schools and classrooms, and our general disregard of the contributing forces that, while outside the boundaries of the school, are probably more influential."

These influential forces, Mr. President, include the family. They include the educational resources families are given to provide their children with an environment for learning. They include the flexibility parents have to decide where their children will attend school and how it will be paid for.

Our policies must offer Dad and Mom the resources they need to actively re-engage in Junior's education. The Coverdell bill does this. It is a very important step in the right direction, and I urge my colleagues to support it. It's time for innovation. It's time to empower parents. It's time to prepare for the future. This is what the Coverdell bill is all about.

I will take a few minutes to walk through the various provisions of the bill. But before I get into the specifics, let me remind my colleagues that with the exception of several school construction bond provisions—which were newly added this year—all of the concepts in this bill should be very familiar.

Mr. President, these concepts should be familiar because we have already endorsed them. The base provisions in the bill—which include the increase in the maximum allowable contribution to an education IRA, the use of the IRA for elementary and secondary school expenses for public and private schools, the tax-free treatment of state sponsored prepaid tuition plans, and the extension of tax-free treatment for employer provided educational assistance—all received overwhelming bipartisan support in the Senate as part of the Taxpayer Relief Act of 1997.

Despite this Senate support, these provisions were dropped from the bill during conference negotiations. Because of opposition from the Administration, these particular elements failed to be included in the final version of the Taxpayer Relief Act of 1997.

We are here today to show our commitment to these provisions—and to enact what this body has already determined makes good sense for American families.

Mr. President, it is important to note that this tax bill is not designed to answer all of the education-related issues that face this country. Those issues are too varied and complicated to be addressed by the federal government.

They need to be solved at the state and local level—by schools, teachers, and parents working together.

Instead, this bill is designed to build on the innovative concepts that have been introduced in the last few years. Our goal is to alter the tax code so that it provides the necessary incentives to help American families help their children. These are much needed tools.

Over the past 15 years, tuition at a four year college has increased by 234%. The average student loan has increased by 367%. In contrast median

household income rose only 82% during this period and the consumer price index rose only 74%.

Our students—our families—need these resources to help them meet the costs and realize the opportunities of a quality education. The Senate recognized the importance of these provisions less than one year ago, voting in favor of them. I hope that my colleagues continue to recognize just how important they remain. The American people are counting on us.

Now let me take a few minutes to describe the various provisions of this bill—to provide an overview and to highlight some reasons why these measures are so important.

As I have already mentioned, the bill increases the maximum education IRA contribution from \$500 to \$2,000. That increase is important on two levels. First, with the well-documented increase in education costs, it is essential that we provide American families with the resources needed to meet those costs.

I have long argued that it is essential to change the savings habits of the American people, and there are few things more important than the education of our children. Not only will saving in this way increase our investment capital, it will increase American's education capital as well. Anything that thwarts either of these objectives is short-sighted.

By using the tax code to encourage individual responsibility for paying for educational expenses, we all benefit. The expansion of the education IRA will result in greater opportunities for individuals to save for their children's education.

Besides being too low to give parents the necessary resources to pay for the costs of education, the current \$500 limit fails from another practical perspective.

As we all know, any broker or bank that provides an IRA account faces assorted administrative costs for each account. To ensure that they can adequately cover their administrative costs, most brokers or banks impose a minimum account balance. In many cases, the minimum balance has been set well higher than \$500. That reality of the marketplace has the effect of limiting the availability of the education IRA to American families.

Another reality is that confronted by a \$500 limit, many mutual fund companies find that it is not worth their while to spend money on marketing the education IRA. It is a fact of life that regardless of what we say and do in Congress, many families will only know about the benefits of an education IRA through the marketing efforts of their local mutual fund companies and banks. These businesses have been very successful in marketing IRAs with a higher contribution limit. If we want to maximize the involvement of American families in education IRAs,

Mr. President, we need to ensure that the accounts make economic sense from the perspective of the companies offering them.

Mr. President, the next major change that this bill makes to education IRAs is that it allows withdrawals for education expenses for elementary and secondary schools and for both private and public schools.

As we recognized last year, it is a fundamental principle that a parent should have the right and the ability to make decisions about his or her child's education—to decide basic questions such as how the child should be educated and where the child should attend school.

Last year, for example, when Congress passed a variety of provisions targeted to higher education, we made no distinction between private and public schools.

We did not say, for instance, that an education IRA or a Hope scholarship would only be available if a student attended public school. We did not say that a student who attended the University of Maryland would receive a tax benefit and a student who attended George Washington University would receive nothing.

This bill recognizes that just as with secondary schools, we should not establish a priority system where some elementary and secondary schools are favored over others. We should not forget that it is the taxpayer who funds the education IRA—that it is the parent who puts his or her hard-earned money into the education IRA.

Mr. President, it seems a matter of common sense, therefore, that the parent should be able to choose how to spend that money.

Moreover, parents with students in elementary and secondary schools need our help to cope with the costs. It is simply not true that only rich kids attend private elementary or secondary schools. For instance, according to the National Catholic Education Association, almost 70% of the families with children in Catholic schools have incomes below \$35,000 and almost 90% of those families have incomes below \$50,000.

Another provision in this bill makes state-sponsored prepaid tuition plans tax-free, not simply tax-deferred. This is a significant distinction, because it allows students to withdraw the savings that accumulate in their pre-paid tuition accounts without paying any tax at all. It means that parents have the incentive to put money away today and their children have the full benefit of that money, without any tax, tomorrow.

As I have already mentioned, forty-four states have pre-paid tuition plans in effect, and the other six are in the process of implementing such plans. This means that every member of the Senate has parents and students back home who either benefit from this plan right now, or will benefit from this plan soon.

Mr. President, the Coverdell bill also extends tax-free treatment of employer provided educational assistance for graduates and undergraduates through the year 2002.

This particular program is a time-tested and widely used benefit for working students. Over one million workers across America receive tax-free employer provided education. This allows them to stay on the cutting edge of their careers. It benefits not only them, individually, but their employers and the economy as a whole. With the constant innovations and advancing technology of our society, it is vitally important that we continue this program.

The various provisions that I have just described have already been embraced by members of this body, and they were approved last year. They made sense then. They certainly continue to make sense today.

Mr. President, the Coverdell bill does even more than address the costs of attending school. In response to concerns from Members on both sides of the aisle, the Finance Committee agreed on some measures to provide targeted relief in the area of school construction.

The first provision is directed at high growth school districts. It expands the tax-exempt bond rules for public/private partnerships set up for the construction, renovation, or restoration of public school facilities in these districts.

In general, it allows states to issue tax-exempt bonds equal to \$10 per state resident. Each state would be guaranteed a minimum allocation of at least \$5 million of these tax-exempt bonds. In total, up to \$600 million per year in new tax exempt bonds would be issued for these innovative school construction projects.

This provision is important because it retains state and local flexibility. It does not impose a new bureaucracy on the states and it does not force the federal government to micro-manage school construction.

The provision also is important because it promotes the use of public/private partnerships. Many high-growth school districts may be too poor or too overwhelmed to take on a school construction project themselves. With these bonds, those districts can partner with a private entity—and still enjoy the benefits of tax-exempt financing.

Mr. President, it is worth noting that there already is a significant federal subsidy for school construction. Under current law, states and localities can issue debt that is exempt from federal taxation. This benefit allows them to finance school construction by issuing long term bonds at a lower cost than they otherwise could.

Moreover, the evidence shows that states and localities are taking advantage of this benefit. In the first six months of 1996, voters approved \$13.3 billion in school bonds, an increase of more than \$4 billion over the first six

months of 1995. The bottom line is that many states and localities are doing their homework, passing bonds, building and renovating schools, and enjoying favorable treatment under the existing tax code. They are doing all this without significant federal involvement.

I do not have to remind my colleagues that school construction has always been the province of state and local governments. President Clinton himself stated in 1994 that “the construction and renovation of school facilities has traditionally been the responsibility of state and local governments financed primarily by local taxpayers.” In that respect, I agree with the President.

Mr. President, there is a second bond provision in this bill. That provision is designed to simplify the issuance of bonds for school construction. Under current law, arbitrage profits earned on investments unrelated to the purpose of the borrowing must be rebated to the Federal government. However, there is an exception—generally referred to as the small issuer exception—which allows governments to issue up to \$5 million of bonds without being subject to the arbitrage rebate requirement. We recently increased this limit to \$10 million for governments that issue at least \$5 million of public school bonds during the year.

The provision in the Coverdell bill increases the small issuer exception to \$15 million, provided that at least \$10 million of the bonds are issued to finance public schools. This measure will assist localities in meeting school construction needs by simplifying their use of tax-exempt financing. At the same time, it will not create incentives to issue such debt earlier or in larger amounts than is necessary. It is a type of targeted provision that makes sense.

It is clear, Mr. President, that the Coverdell bill contains many important provisions for the American family. As I have said already, many of these measures have already been passed by the Senate.

Anyone—students or parents—who is on the front line dealing with the costs of a quality education, must have been disappointed last year when we failed to give them all the tools that they needed. American families understand just how important these measures are. They have now been waiting for a year. Let's not disappoint them any further. Let's not keep them waiting any longer. Let's move forward. Let's pass the Coverdell bill now.

Mr. President, I yield the floor.

Mr. MOYNIHAN. Mr. President, I congratulate Chairman ROTH for his statement and for once again bringing a Finance Committee bill to the floor that includes ideas supported by members on both sides. And I thank the Chairman for insisting that the appropriate place for initial consideration of the Coverdell education savings account legislation was in the Finance

Committee, not on the floor. This legislation was reported by the Committee on February 10, 1998, by a vote of 11-8.

This is one of those infrequent occasions in which the Chairman and I disagree on a policy matter. The good intentions of the proponents of expanding the availability of education individual retirement accounts are clear. However, in our view the proposed changes to the education IRA provisions, passed just last July and effective on January 1st of this year, are fraught with serious policy and technical defects. Secretaries Rubin and Riley have expressed strong opposition to the education IRA provisions in this bill, and have indicated that they will recommend that the President veto a bill that contains such provisions. In a letter to Members of the Finance Committee dated February 9, 1998, the Secretaries of the Treasury and Education stated that the education IRA provisions in this bill would disproportionately benefit the most affluent families and provide little or no benefit to lower and middle-income families. In addition, they indicated that the provisions "would create significant compliance problems."

Treasury Department analyses conclude that 70 percent of the tax benefits from this provision would go to the top twenty percent of all income earners. In a memorandum of March 2, 1998, the staff of the Joint Committee on Taxation estimates that 52 percent of the tax benefits of the enhanced education IRA provision would go to seven percent of taxpayers: those with dependents already enrolled in private primary or secondary schools. The Joint Committee memorandum indicates that the per tax return benefit for taxpayers with children in private schools will be five times greater than the benefit to taxpayers with children in public schools.

This bill will not result in greater opportunity for middle and lower income families to send children to private schools, as supporters contend. Instead, it will merely provide new tax breaks to families already able to afford private schools for their children. If the proponents are truly concerned about the middle class, the tax benefits should be targeted there. In order to accomplish this, the income limits would have to be lowered, and the ability to circumvent those limits would have to be prevented.

Nor will this legislation result in an increase in national savings. The expansion of the education IRA will provide further incentives for taxpayers to shift money to tax-favored accounts, and to spend funds that would otherwise be used for retirement.

Further, the additional complexity these changes would add to the Internal Revenue Code is of real concern. Taxpayers are just beginning to become aware of the hundreds of changes made in the 1997 tax bill. And now we are considering additional changes to a

provision that became effective on January 1, 1998. More confusion for taxpayers; a boon for H&R Block.

Even as we hear ever louder calls to simplify and even terminate the Code, we have before us a bill that would create a maze of rules in attempting to define what constitutes a "qualified elementary and secondary education expense." For example, the bill defines such expenses to include computers and related software and services, but how is the IRS to monitor whether a computer, or the use of the Internet, is used by a child for educational purposes or for entertainment, or by the child's parents for unrelated purposes?

Under this bill, the ability to contribute up to \$2,000 per year in an account for elementary and secondary education expenses would sunset after 2002. However, money contributed through 2002 could still be used for such expenses. There will be different rules depending on whether contributions were made in 1998, 1999 to 2002, or post-2002. It will be up to the taxpayer to track—and the IRS to examine—when funds were contributed, the earnings on those funds, and whether they can be used for only higher education, or both elementary and secondary education and higher education. Who will understand these rules?

Mr. President, we are already spending enough on IRAs and other tax-advantaged savings vehicles. At a cost of \$40 billion over 10 years, the Taxpayer Relief Act of 1997 created the Education IRA and the Roth IRA, and significantly expanded existing IRAs and the tax benefits of State-sponsored prepaid college tuition plans.

Having said all of that, I must express thanks to the Chairman, who gave priority in this package to the income exclusion for employer-provided educational assistance, which is Section 127 of the Internal Revenue Code. It is one of the most successful Federal education policies we have. A million persons per year are provided tax-free higher education by their employers; about a quarter of those are students enrolled in graduate-level education courses.

In a world of continuing education, Section 127 permits an employer to send an employee to school to learn something new, get a degree, and bring the skills back into the workplace. The employee gets more income, and the Federal treasury gets more tax revenue. This is a program that works, and it administers itself.

Last year, the Senate version of the Taxpayer Relief Act of 1997 would have made this absolutely easy; it made Section 127 permanent for both undergraduate and graduate study. For reasons I will never understand, the Senate language was dropped in conference. Members of the House have already indicated that in a conference on this measure they will move to strip the Section 127 provisions, particularly the piece for graduate students.

Finally, I appreciate the Chairman's good faith efforts in working with

members on both sides to try and come up with measures designed to address the issue of school infrastructure. Last year, Senators CAROL MOSELEY-BRAUN and BOB GRAHAM brought the issue of crumbling schools to our attention, and they continue to be the leaders in the effort to address this serious problem. Most of us would prefer not to address this issue via the Tax Code, but previous attempts at more direct solutions have been opposed. I am afraid that such opposition has resulted in the nominal tax provisions we find in this bill to address a problem that is estimated to cost at least \$112 billion—a figure that does not include the cost of building new schools.

Mr. President, I thank the Chair and yield the floor.

Mr. ROTH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. D'AMATO. Mr. President, in about half an hour or 45 minutes I will have the pleasure of being able to offer an amendment to the pending bill, along with my friend and colleague, Senator MACK of Florida, that will, I believe, help reform education. I believe the most important battle that America faces is to provide an opportunity for our youngsters to get a decent education, to get the best education possible.

Reform of our education system is one of America's priorities. Indeed, our amendment will reform the evaluation of public school teachers in America and, most importantly, will reward the best teachers with additional salary.

Reforming our education system is the most important issue facing our Nation. This is a fight for America's children. When we look at reforming our public schools, one thing must always be kept foremost in our efforts: We must put our children first—not anyone's interest, but the interest of our children. Our children are the best and the brightest. They are our most precious resource. That is what our legislative proposal will be about.

This amendment is about promoting excellence in teaching, for the benefit of our children. Before I get into the details of the amendment, I want to speak a little bit about excellent teachers and how they help our children learn.

When my dad entered elementary school quite a few years ago, he didn't speak a word of English. Indeed, very few spoke English in the poor, immigrant community in which he grew up. But he had teachers who were dedicated to giving the best education to those children who came from all kinds of diverse backgrounds. After many years of hard work, summer schools included, my dad graduated. He went on

to a State teachers' college where he majored, of all things, in English. My dad was able to achieve this amazing progress because he was inspired by his public school teachers who created magic in the classroom.

That same inspiration takes place today in many classrooms throughout America. Public school teachers still make a difference for millions of our children. Truly outstanding teachers are the unsung heroes of our communities.

Unfortunately, however, this magic does not take place for every child in every classroom, and that is a tragedy.

Today, in most of our Nation's public schools, there is no financial incentive for those truly outstanding teachers. We should change that. Outstanding teachers who help our children achieve educational success should be rewarded with merit pay. That is just good common sense. It works in business. It works in other areas. And it should be part of our educational system.

Another commonsense measure is teacher competence testing. Again, most teachers are very dedicated, and most teachers are up to the job. But some are not. In some cases, you have teachers who are competent in their area of specialty who are teaching other subjects in which they lack competence. When that happens, our children are the ones who suffer. We need to know that those who teach our children are competent in the subjects they teach. We need competency testing for all teachers. Our children deserve nothing less than the best.

Our legislation will provide incentives for States and localities to adopt both of these vital measures: merit pay and competency testing. The amendment is called "Measures to Encourage Results in Teaching." It is the MERIT Act.

Incentives are provided through the Eisenhower Professional Development Program. The amendment sets aside 50 percent of the funds appropriated over fiscal year 1999 levels and then distributes it to States that have established teacher testing and merit pay plans.

Last year, fiscal year 1998, Congress appropriated \$335 million for this program to subsidize training for teachers, an increase of \$25 million from the year before. I support this effort to train teachers. But I also believe that we have to be able to ensure that teachers are actually improving their teaching skills and children are benefiting. Teacher testing will accomplish this goal. I also want to reward teachers whose training creates magic in the classroom. Merit pay will accomplish this goal.

Under this amendment, as the Eisenhower Professional Development Program funding increases, so will each State and local Government's share. However, 50 percent of the increase will be reserved for those States that put in place merit pay and teacher testing.

Mr. President, it is time to meet the challenges of massive, fundamental re-

form in education. Congress has repeatedly tried to address the inadequacies in our schools by providing funding. I support more funding for education. But we also have to recognize that funding alone will not make American schools competitive in the global economy. There needs to be significant reforms—and merit pay and teacher testing should be part of those reforms.

The fight to reform our public education system is a fight for America's future. Our children are depending on us.

I urge my colleagues to support this measure, to guarantee that all students have the right to be taught by educated, confident and qualified teachers—and to reward the truly outstanding teachers with merit pay, those teachers who do create magic in the classroom.

Let's not let the status quo diminish the dream of our parents and grandparents. The American people know the importance of this fight. The fight to reform our public schools is a fight for America's future. Our children are depending on us. And I know that if we once again give our children the best teachers and the best schools, there is no limit to what they can achieve.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GREGG). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MACK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KYL. Mr. President, I rise in strong support of the A+ accounts bill, and I want to commend its chief Senate sponsor, Senator PAUL COVERDELL, for his leadership in bringing this bill to the floor.

Mr. President, this legislation does several things. It would allow more people to save for education in tax-preferred education savings accounts. The savings could be used for higher education, as well as education at the elementary and secondary levels. The bill would extend the existing tax exclusion for employer-provided educational assistance through the year 2002, and it would make savings in qualified state tuition plans tax-free. It would also create a new category of tax-exempt facility bonds to assist with school construction in high-growth areas.

Mr. President, perhaps the most important part of the bill is also the most controversial: the provisions that expand the allowable uses of education savings accounts to include elementary and secondary education. These provisions would put additional resources under the control of the people who know and understand the needs of children best—their families.

Here is how it works. Families earning less than \$95,000—\$150,000 on a joint tax return—could put up to \$2,000 in after-tax dollars into special interest-

bearing accounts for each child. The funds would accumulate tax free, and could be withdrawn for any educational expense—from books and transportation to special programs and private-school tuition.

A family saving just \$10 per week could accumulate about \$4,000 by the time a newborn enters the first grade. Over the course of the child's education, the money could be spent on a school uniform, special tutoring, a home computer, tuition at a private or parochial school, an SAT preparation course, or any other educational expense. This is one of the rare occasions in Washington when we are talking about empowering parents—rather than government bureaucrats—to decide how best to satisfy their children's educational needs. An estimated 14 million families are expected to take advantage of these new tax-preferred savings accounts.

Defenders of the status quo will throw up a series of arguments about why parents should not be trusted with more control over their children's education. Some will suggest that this will divert resources from public schools into private schools. Let me make two points about that.

First, I think it is important to recall that we are not talking about a new subsidy for private or parochial schools. To the contrary, we are talking about allowing families to keep more of what they earn—after all, it is their money—to send their children to the elementary or secondary school of their choice.

We already go far beyond what would be allowed by this bill when we provide federal financial assistance to students at the college level, including students who attend private or religious institutions. No one argues that such choice harms public colleges or universities. In fact, it is choice and competition that has made our Nation's colleges and universities the best in the world. So I am perplexed why anyone would fear giving parents more choice and control at the elementary and secondary levels, as well. That is where the real crisis in education exists today, and it is where choice and competition will do the most good.

Second, providing families with tax incentives for education savings will not decrease federal or state funding for public schools by a single dime. The fact is, Congress is likely to approve increases in funding for education in addition to the incentives that would come with the Coverdell bill. The budget resolution that we approved two weeks ago does exactly that, adhering to the spending levels set out in the budget agreement negotiated between Congress and the President just last year.

Here is what President Clinton said about the education-spending levels in that agreement last July. These are his words:

\*\*\* at the heart of this balanced budget [agreement] is the historic investment in

education—the most significant increase in education funding in more than 30 years.

The most significant increase in education spending in a generation—that is the level of funding that is provided under the budget we just passed, and it is in addition to the assistance provided under the Coverdell bill.

Another point: The people who stand to gain the most from this legislation are those of more modest means who might not have the same choice or opportunity without the help that the Coverdell bill would provide. Of the people currently opting for Catholic schools, for example, 68 percent have annual incomes of \$35,000 or less. Wealthier people obviously have the means to send their children to the school of their choice whether they receive a tax break or not. And in any event, wealthier taxpayers will not even qualify for the relief in this bill, give the income thresholds that are set out in it.

It seems to me, Mr. President, that all of the arguments against the bill are based upon the flawed premise that public schools cannot compete successfully with other institutions. They are wrong. Many public schools have very well-regarded programs—programs that meet or exceed what is offered to students elsewhere—and it is likely that these schools would not only retain their current student body, but add to it with barriers to choice removed. And with additional enrollment would come additional funds for their budgets.

It is true that failing schools would be forced to improve or face declining enrollment. But is it really our goal to force students with few financial resources to remain in a failing environment? Should they not have the same options that others have to find a school that better meets their needs?

In Senate hearings earlier this year, low-income parents questioned why the schoolhouse door is often closed to their children—why they are kept from moving their children to schools that can better meet their children's needs. Why, these parents wanted to know, are their kids denied the chance to attend safer schools? They are right to ask questions. They deserve—their children deserve—access to a quality education.

In my opinion, the single best thing we could do to improve the quality of education in this country is give parents more choice and control over where they send their children. It is an idea with broad support among the American people. A 1997 poll conducted by the Center for Education Reform found support for school choice among the general public at 82 percent. The Joint Center for Political and Economic Studies reported support among African Americans at more than 70 percent. It is an idea whose time has come.

I hope my colleagues will join me in support of the A+ bill.

#### AMENDMENT NO. 2288

(Purpose: To provide incentives for States to establish and administer periodic teacher testing and merit pay programs for elementary school and secondary school teachers)

Mr. MACK. Mr. President, I have an amendment which I send to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. MACK], for himself and Mr. D'AMATO, proposes an amendment numbered 2288.

Mr. MACK. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, add the following:

#### TITLE —MEASURES TO ENCOURAGE RESULTS IN TEACHING

##### SEC. 1. SHORT TITLE; FINDINGS; AND PURPOSES.

(a) SHORT TITLE.—This title may be cited as the “Measures to Encourage Results in Teaching Act of 1998”.

(b) FINDINGS.—Congress makes the following findings:

(1) All students deserve to be taught by well-educated, competent, and qualified teachers.

(2) More than ever before, education has and will continue to become the ticket not only to economic success but to basic survival. Students will not succeed in meeting the demands of a knowledge-based, 21st century society and economy if the students do not encounter more challenging work in school. For future generations to have the opportunities to achieve success the future generations will need to have an education and a teacher workforce second to none.

(3) No other intervention can make the difference that a knowledgeable, skillful teacher can make in the learning process. At the same time, nothing can fully compensate for weak teaching that, despite good intentions, can result from a teacher's lack of opportunity to acquire the knowledge and skill needed to help students master the curriculum.

(4) The Federal Government established the Dwight D. Eisenhower Professional Development Program in 1985 to ensure that teachers and other educational staff have access to sustained and high-quality professional development. This ongoing development must include the ability to demonstrate and judge the performance of teachers and other instructional staff.

(5) States should evaluate their teachers on the basis of demonstrated ability, including tests of subject matter knowledge, teaching knowledge, and teaching skill. States should develop a test for their teachers and other instructional staff with respect to the subjects taught by the teachers and staff, and should administer the test every 3 to 5 years.

(6) Evaluating and rewarding teachers with a compensation system that supports teachers who become increasingly expert in a subject area, are proficient in meeting the needs of students and schools, and demonstrate high levels of performance measured against professional teaching standards, will encourage teachers to continue to learn needed skills and broaden teachers' expertise, thereby enhancing education for all students.

(c) PURPOSES.—The purposes of this title are as follows:

(1) To provide incentives for States to establish and administer periodic teacher test-

ing and merit pay programs for elementary school and secondary school teachers.

(2) To encourage States to establish merit pay programs that have a significant impact on teacher salary scales.

(3) To encourage programs that recognize and reward the best teachers, and encourage those teachers that need to do better.

#### SEC. 2. STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY.

(a) AMENDMENTS.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

- (1) by redesignating part D as part E;
- (2) by redesignating sections 2401 and 2402 as sections 2501 and 2502, respectively; and
- (3) by inserting after part C the following:

#### “PART D—STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY

##### “SEC. 2401. STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY.

“(a) STATE AWARDS.—Notwithstanding any other provision of this title, from funds described in subsection (b) that are made available for a fiscal year, the Secretary shall make an award to each State that—

“(1) administers a test to each elementary school and secondary school teacher in the State, with respect to the subjects taught by the teacher, every 3 to 5 years; and

“(2) has an elementary school and secondary school teacher compensation system that is based on merit.

“(b) AVAILABLE FUNDING.—The amount of funds referred to in subsection (a) that are available to carry out this section for a fiscal year is 50 percent of the amount of funds appropriated to carry out this title that are in excess of the amount so appropriated for fiscal year 1999, except that no funds shall be available to carry out this section for any fiscal year for which—

“(1) the amount appropriated to carry out this title exceeds \$600,000,000; or

“(2) each of the several States is eligible to receive an award under this section.

“(c) AWARD AMOUNT.—A State shall receive an award under this section in an amount that bears the same relation to the total amount available for awards under this section for a fiscal year as the number of States that are eligible to receive such an award for the fiscal year bears to the total number of all States so eligible for the fiscal year.

“(d) USE OF FUNDS.—Funds provided under this section may be used by States to carry out the activities described in section 2207.

“(e) DEFINITION OF STATE.—For the purpose of this section, the term ‘State’ means each of the 50 States and the District of Columbia.”.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 1999.

#### SEC. 3. TEACHER TESTING AND MERIT PAY.

(a) IN GENERAL.—Notwithstanding any other provision of law, a State may use Federal education funds—

(1) to carry out a test of each elementary school or secondary school teacher in the State with respect to the subjects taught by the teacher; or

(2) to establish a merit pay program for the teachers.

(b) DEFINITIONS.—In this section, the terms “elementary school” and “secondary school” have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

Mr. MACK. Mr. President, I understand there are 15 minutes now on each side for the amendment.

The PRESIDING OFFICER. That is correct.

Mr. MACK. Thank you, Mr. President.



Today, Senator D'AMATO and I are offering an amendment that would provide incentives for States to establish teacher testing and merit pay programs. I have said many times in the discussion about education that our children deserve an education that is second to none. I have listened to educators from my home state of Florida who have talked with educators in other countries. The consensus is that competition among nations in the 21st century will not be based on natural resources or military power, but on knowledge.

I believe that they are correct, and if our children and our grandchildren—and I am proud to state that I have three grandsons, 13, 11 and 4—if they are going to have an opportunity to compete in the 21st century, and if they are going to have an opportunity to experience the opportunities that we have had, then they have to have an education that is second to none.

Good teachers are the backbone to a good education. All students deserve to be taught by well-educated, competent and qualified teachers. Teachers make all the difference in the learning process. America's classrooms are staffed with many dedicated, knowledgeable and hard-working teachers. But we need to reward teachers for their efforts.

I have traveled all around my State and, for that matter, around our Nation trying to make myself more knowledgeable about the issues related to education. I have told the story many times about an experience I had out in Los Angeles where I went to visit a school called the Marcus Garvey School and met the Administrator/Principal, Anyim Palmer. Mr. Palmer assigned a teacher to take my wife and I around the school.

I was excited, and in some ways almost overwhelmed with what I saw. These youngsters, some of whom were 2 years old, could recite the alphabet in three languages. I want to restate that—2 years old, not second grade; 2 years old. There were 3-year-old children who could do complicated addition problems and 4-year-old students who could read at the second and third grade level. A 5-year-old student stood up in front of me and was asked by the teacher to recite all the Presidents of the United States in their proper chronological order, and the little fellow did it. I must tell you, the only reason I was sure he was correct was because they gave me a piece of paper that I could follow along with to make sure that he was doing it correctly. But he was 5 years old.

I would like to also point out that Anyim Palmer challenged one of the best private schools in the Los Angeles area's sixth grade students against his third grade students in math and English. And you know who won—Anyim Palmer's Marcus Garvey School students.

Every single time I asked him how he accomplished this and what makes this

possible, the answer was simple, "It's the teacher." "It's the teacher." "It's the teacher that makes the difference." That is why, in this education reform proposal, we have placed so much emphasis on the abilities of teachers.

Let me give you a couple of statistics: 20 percent of English classes were taught by teachers who did not have at least a minor in English, literature, communications, speech, journalism, English education or reading education.

Another example: In our public schools today, 25 percent of mathematics classes were taught by teachers without at least a minor in mathematics or mathematics education; 39 percent of life science or biology classes were taught by teachers without at least a minor in biology or life sciences; 56 percent of physical science classes were taught by teachers without at least a minor in physics, chemistry, geology or Earth sciences. I could go on.

One additional point I want to make is that students in schools with the highest minority enrollments have less than a 50-percent chance of getting a science or mathematics teacher who holds a license and a degree in the field he or she teaches.

Our amendment, which is referred to as the MERIT Act, rewards States that test teachers on their subject matter knowledge and pays teachers based on merit. Here is how it works:

We will make half of any additional funding over the fiscal year 1999 level for the Eisenhower Program available to States that periodically test elementary and secondary school teachers and reward teachers based on merit and proven performance.

There will be no reduction in current funding to States under this program based on this amendment. All current money being spent on this program is unaffected by this amendment. Only additional money will be used as an incentive.

Finally, this amendment also enables States to use Federal education money to establish and administer teacher testing and merit pay programs.

Mr. President, I now yield to Senator D'AMATO.

Mr. D'AMATO. Mr. President, I want to commend my friend and colleague, Senator MACK, for his work in this area. Indeed, he just did not sit behind a desk and dream up a theory; he went out to see; he went out to see that there are programs that do work. And reforming our education system is the most important issue facing this Nation.

I think the parents and grandparents know that the public education system can do better. This is a fight for our children, and I think what we should be focusing on is putting the interests of our children first. That is the question. And we should not let the status quo diminish the dream of our parents and our grandparents. The American people know the importance of this fight.

The fight to reform our public schools is a fight for our future. And why shouldn't we say the best and the brightest teachers—those who make magic in the classroom; those who make a difference—should be rewarded with merit pay? There are some who are opposed to this. Well, I have to tell you, we cannot pay teachers enough, those great and gifted teachers. This is one way to realize and to give them that kind of recognition that they are entitled to.

Secondly, a provision of this amendment that is most important says we need teacher competency testing. Indeed, we see all too often where teachers are moved into areas that they do not have the excellence and the competence to teach. A great English teacher, for example, being moved into an area of science or mathematics may not be up to that particular job. That is why we say—and, by the way, we do not impose this; this is something that States can opt into. We do not believe in big brother Government coming in and saying, "This is the standard that you have to use for determining a competence." That is up to the State and the local districts to develop the standards for competency testing.

But in all sectors of life there are levels of competence that are expected. Indeed, when it comes to the most important area, that of educating our children, should we do any less? I do not think so. In all areas of life, in terms of competition, including the business world, there is merit pay. We hear about stock options for the successful entrepreneur. In corporate America, we hear of bonuses for achieving certain levels.

Why should we not do the same? Bring those areas of the private sector into public education that work for the benefit of our children. And if we have truly outstanding and dedicated teachers, then why not reward them? Why not merit pay? Indeed, the teachers that make magic in our classrooms are sorely needed. It is about time we began to recognize their efforts. They are truly extraordinary.

I believe that when we look at many of the educational institutions today, particularly in our inner cities, we see distress, we see a system that needs the kinds of reforms that this bill will begin to bring into the system. And so while it is not a cure-all, I believe it is a powerful step forward to giving our children the opportunity they deserve.

I am pleased to cosponsor this amendment and urge my colleagues to be open minded about it. Do not permit the special interest groups to put the kind of pressure that will have them voting against the interests of our children. It is about time we put the interests of our children first.

Mr. President, I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I did not want to reply to the debate that is

going on here, the discussion going on. I ask unanimous consent that the Democratic time on the Mack-D'Amato amendment be reserved and that I be permitted to offer an amendment of my own.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. I thank the Chair.

AMENDMENT NO. 2017

Mr. GLENN. Mr. President, I rise today to offer an amendment to the Coverdell educational IRA bill. I ask unanimous consent that Senator LAN-DRIEU be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. This amendment will simply delete the K-12 expenses as an authorized deduction for education IRAs. The amendment will keep the increase in the annual allowable contribution from the current \$500 to the maximum \$2,000 a year.

Deleting K-12 and increasing the allowable contribution returns education IRAs to their original purpose of providing incentive savings for higher education expenses. I believe we should be looking at this bill for what it is; it is tax support for private school education, pure and simple.

Also, I believe this is bad education policy and it is bad tax policy. And let me tell you why.

We go back to the days of our forefathers: our own parents and grandparents and great, great grandparents coming to this country from Europe, where many were escaping persecution. One of the big things that they wanted for their children was an education. That's because education was, pure and simple, not for everybody. Education was only for the kids from the castle, or education was for the rich, or education was for the politically connected. And there were two kinds of people in those lands in Europe that our forefathers came from: wealthy and poor, educated and uneducated.

When they landed in this country of ours and started expanding and started setting up communities, and became a United States of America, they knew that if democracy was to succeed, if they were not to return to serfdom, and ruled by a few, that education was not a choice; in a democracy it was a must or the democracy was doomed.

The freedom to be educated spread to States and communities where public schools were established for all. That idea expanded and caught fire and took root. It was the beginning of our system of public education in this country. The public, taxpayers, continue to pay for this educational system. And, out of that education of all has come research, has come commitment, has come economics, has come agriculture, has come business, has come industry, has come health, has come standards of living that are the envy of the world; we have had longer life expectancy, all of those things, and more, because of universal education, the best we can have for our people.

At the same time, if people, for religious reasons or beliefs, want education which reflects this or they want a particular kind of education—it used to be all-boys schools, all-girls schools, whatever; we supported that as long as those schools—were not supported with public money. We supported the right of people to have private schools, and support private schools as long as they paid for them. But the Government response was and is to provide not just a satisfactory educational system in this country, not just an educational system that will get us by, not just one that is OK, but what we should be shooting for is the best educational system in this world for all of our citizens in this country, through a public educational system.

Public school systems now are having some problems, that is true. It is not much wonder when we look how they are set up. We don't have a national education as such. I am not proposing here today we suddenly say all States and local communities are taken out of the picture here and we are going to go to a national school system as other nations have. As a matter of fact, every major industrialized nation in the world has a national school system.

But our school system in this country has come under some stress. It is no wonder, when we think back in the early days of this country when we had a tax for schools, it was paid for basically by the property owners. Back then we didn't have a NASDAQ, a New York stock exchange, an American stock exchange and mutual funds all over the place for people to invest in. Most of the people capable of supporting schools had their money in property, in real estate, real property. So it was natural that a property tax was put in place, and those people were the ones who wound up supporting most of our school systems.

As it developed, we had other problems because today no longer is a property tax indicative of the wealth of this country, because two-thirds of our economy is now generated from the service industries in our society. So it is no wonder the property tax has become unpopular with an awful lot of people.

Plus, we have another problem, too, in this country as far as making sure we get a good education for everyone. As Lester Thurow has been pointing out in his last couple of books, our basic K-through-12 education system in this country is run by 15,000 independent school boards all getting elected on the basis of "We won't raise your taxes." That is some system. I think it is amazing that it has worked as well as it has up until now.

Our K-through-12 education gets a little over 5 percent of their funding from the Federal Government. It is not something where the Federal Government tries to run the whole school system. But that is a little bit of background on what I think is very impor-

tant: that every single child in this country should be able to get the finest, the best education of any place in this world. We should not be siphoning money off of our public education system to provide vouchers for private schools.

This is my 24th year as a U.S. Senator representing the people of Ohio. In that time, I have seen many attempts to divert Federal funds from public to private schools. The approaches to accomplish this goal have been many—tuition tax credits, vouchers, school choice, and now educational IRAs for elementary and secondary education. These proposals all allow parents to select which school their children will attend and thereby competition, supposedly, with public schools. It is the presumed goal they will improve students' performance as a result of competition. There are problems coming up because public and private schools don't compete on an even basis. Private schools, unlike public schools, can refuse to accept students with disabilities or discipline problems and are not subjected to the same requirements.

Each time these proposals come before the Senate, I am proud to say I have cast my vote in opposition because I firmly believe we must have the finest public school system in the world. That is what the Government should be supporting—not putting money off into other experiments. I want parents to exercise their right and responsibility to decide the school their children will attend—public, private, parochial. Nothing wrong with choice. However, it is not the responsibility of the Federal Government to pay them to do so.

As I see it, the Coverdell IRA is a backdoor voucher that will do nothing to improve public schools, which are my main concern, for our public school children. This new IRA tax subsidy provides tax breaks for educational expenses, including tuition and fees at public, private, and religious schools.

Also, the bill does not target needy families. In fact, here is one of the facts I was very much interested in: Families in the top 20 percent of income in this country—the top 20 percent of income in this country—would receive 70 percent of the benefit. The Joint Committee on Taxation estimates that more than half the savings would go to families whose children would attend private school anyway. So the bill subsidizes the savings and spending patterns that already exist. Let me repeat that: 70 percent of the benefit would go to families already in the top 20 percent of income.

In other words, the analogy I made a little while ago regarding the land of our forefathers in Europe, where education was for the wealthy, for the privileged, for the kids from the castle, we are now taking a step back in that direction by helping mainly those who are already well enough off to send their children to private or parochial schools.



As I stated, qualified educational expense is defined in the bill to include tuition, fees, tutoring, special needs services, books, supplies and equipment, including computers. The expenses must be incurred in connection with the beneficiary's enrollment in a public, private, or parochial elementary or secondary school, and the funds may be used to pay for expenses such as room and board and uniforms and transportation.

Let me give a little bit of personal experience from Ohio. Cleveland, OH, has one of only two voucher programs in the country. The other one is in Milwaukee. In Ohio, this program permits State funds to be used to send low-income children to private schools. It is the only program that allows the children to attend religious schools with taxpayer funds. It is funded at \$12.5 million over 2 years. Right now, the legality of the program is being challenged and it is before the Ohio State Supreme Court now.

Let me say this, the program has been in effect now for 2 years. In surveys made recently of how the academics are going with the children in these schools, it is not all that great. So far, they have not been able to show any real results where the kids that are going to these private schools are any better off academically than they would have been in public school. Some of the proponents of the voucher system in Ohio and Cleveland say it hasn't had long enough to take effect yet. We are close to the end of the second year of this program now and testing has not shown much difference at all.

Another problem that was unforeseen—and this may seem like a minor problem and maybe not one that will be a problem nationally, but it shows we have some unforeseen consequences sometimes when we start something like this. That is paying for taxicabs. Paying for cabs to carry children to private schools is one of the reasons the school choice program is in jeopardy in Cleveland. This is no small item. Students' taxi rides account for more than half of the \$4.8 million deficit in Cleveland's 2-year-old school voucher program. More than half of the deficit goes to providing kids taxicab rides basically because the school officials had no yellow bus transportation available for the voucher students.

So sometimes there are unintended consequences. The voucher program had to turn to taxi firms and provide payments to parents in lieu of transportation services. The image of children riding taxicabs to private schools because the Cleveland public schools could not accommodate them on its yellow schoolbuses is one example of the structural deficiencies in the program and one of the main reasons why some Clevelanders are pretty much up in arms over this. I have a couple of newspaper articles that I will later have included in the RECORD.

Now, as I mentioned, there is no strong evidence so far that participa-

tion in a voucher program increases student achievement. We need to have a better understanding of what makes a school successful because we institute a program that benefits comparatively few. Instead of looking for incentives for parents to send their children to private schools, I believe it is far more important we take steps toward strengthening public education across the board in this country and not trying to find ways to take money off and put it into the private school systems.

A strong educational system must be a fundamental part of our effort to keep our country strong and keep it competitive. Only by making high-quality education available to all American children, not just a few, but all American children, will we help develop the skills they need to find meaningful, high-wage jobs while developing a capable and productive work force that is essential to the economic future of this country.

Education reform is one of the top issues in this country. That is why I continue to oppose attempts to encourage the use of Federal funds for non-public education, whether in the form of tuition tax credits, vouchers, or school choice. I believe that including K-12 in educational IRAs would be the first step toward establishing a permanent voucher system, one that bleeds off dollars needed in our public schools.

We have a system of public education in this country that is available to all children. We need to make it the best and the finest in the world, one that is second to none in this world if our children are going to be competitive in the future. This education system is not producing the high level of achievement this Nation now needs, and we cannot abandon them and say we are going to bring up a favorite few and send them off to other schools. Rather, we need to find ways to make improvements.

That is why I support another amendment that will be proposed, and that is the school construction amendment—an initiative that will help reduce classroom size. These will directly benefit all of our Nation's public schools by ensuring all children attend safe, modern public schools.

I clearly believe that everybody should be saving for their children's education—for their higher education. The difference between elementary and secondary education and higher education is important. Every single child in this country is entitled to a free, appropriate, tuition-free education in every State in this Nation. Higher education, on the other hand—once you get above the minimums of the high school level—is optional and is tuition-based. It is hard for parents to save for college. I believe it is appropriate to provide incentives for them to do so. I have supported the prepaid tuition plans in the State of Ohio as one of the ways students can be assured a quality education at one of Ohio's universities or colleges.

This amendment I am offering returns the educational IRAs back to its original purpose—higher education expenses only. The only change I make is to keep the annual increase in the contribution limit for education IRAs, which goes from \$500 to \$2,000. This increase in the contribution limit will enable parents to save more per year for higher education.

I urge my colleagues to join me in supporting this amendment. Again, I ask my colleagues to look at this bill for what it is—a tax break for private school education. I believe it is bad education policy and bad tax policy.

Mr. President, I ask unanimous consent that two articles—one from the Washington Times and one from the Washington Post—be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Times, Jan. 19, 1998]  
STUDENT TAXI RIDES IMPERIL SCHOOL CHOICE  
IN CLEVELAND—HALF OF PROGRAMS DEFICIT  
COMES FROM LACK OF BUSES

(By Carol Innerst)

Paying for taxicabs to carry children to private schools may jeopardize a landmark school-choice policy in Cleveland.

Student taxi rides account for more than half of the \$4.8 million deficit in Cleveland's 2-year-old school-voucher program. The deficit has sparked political criticism of Ohio Gov. George V. Voinovich, one of the program's biggest supporters.

"At a time when Ohio needs leadership to solve our education crisis, Voinovich has spent millions on a program that does nothing to help our 1.8 million public school children," said David J. Leland, chairman of the Ohio Democratic Party.

"The public is pretty upset," said Ohio researcher Sam Staley. "The public is not very happy with this. It is a problem that should have been resolved before this."

At least \$2.7 million of the shortfall in the controversial program—one of only two voucher systems in the nation—in attributed to voucher students who ride taxicabs to private schools because the Cleveland Public Schools cannot accommodate them on its yellow school buses.

Although the governor's office projected confidence over weathering the political storm, the image of children riding taxis to school is a hard one for the public to digest, according to Mr. Staley, vice president for research of the Buckeye Institute, a market-based Ohio think tank.

"It will give people who opposed the scholarship program an opportunity to kill the program," he said. "They will use this as a way to go after the program even though it goes against the views of their own constituency. The voucher program is most among minority and poor people in Cleveland."

The \$4.8 million shortfall left the governor scrambling to find money to preserve the voucher program. The legislature, now in session, signaled that it did not want to encumber the next education budget with the problem.

"We will identify a legislative or financial vehicle to make up for the funding shortfall," said Tom Needles, executive assistant to the governor.

"There are structural deficiencies in the program that need to be fixed, but the governor is confident this is a valuable program yielding positive results," Mr. Needles said. "We've begun very intensive discussions

with various transportation officials and others to determine our options and what are the best alternatives for remedying this problem."

The Ohio voucher program is one of only two in the nation—the other is in Milwaukee—that permit state funds to be used to send low-income children to private schools. It is the only program that allows them to attend religious schools. It was funded at \$12.5 million over two years.

Ohio affiliates of the 950,000-member American Federation of Teachers and the 2.3 million-member National Education Association have challenged the legality of the program, and the case is now before the Ohio State Supreme Court, where arguments could be scheduled this spring, according to the Institute for Justice, which is defending the program. Last year the court allowed the program to continue for another academic year while its legal status is being decided.

Bert L. Holt, a former administrator for Cleveland Public Schools who was hired by the Ohio State Department of Education to administer the Scholarship and Tutoring Program, said the idea from the inception of the program "was to try to get as many children on yellow buses as possible."

But Cleveland public schools officials said all they could do was provide payment to parents in lieu of transportation service, she said. When schools opened in 1996, no yellow bus transportation was available for the voucher students. After talking to two private bus companies, the voucher program had to turn to two taxi firms. One bus company was too costly and the other couldn't adjust routes to do the pickups.

"I think Cleveland schools at the time didn't consider it a priority," Mrs. Holt said. "The voucher program was controversial and also maybe it wasn't being taken seriously."

In November, 1996, Cleveland public schools began providing bus service to seven of the private schools and in March 1997 they were able to provide buses for an additional eight schools, she said.

This school year, 38 yellow school buses are taking 516 kindergarten through fourth-graders to 18 private schools, she said. Another 1,077 voucher students are riding taxicabs and 1,395 are within walking distance of their schools.

There are 55 private schools participating in the voucher program, and only five don't have taxis dropping off students, she said.

The program anticipates increasing the number of participants to 4,000 students in the 1998-99 school year, according to Mrs. Holt. The maximum tuition the state will pay is \$2,500 a year, with parents paying \$250 of that. The average tuition runs less than that—\$1,831 in the 1996-97 school year and projected at \$1,939 this school year.

The Ohio Democratic Party was helping to trumpet the budget deficit in the voucher program.

"George Voinovich is giving his seal of approval on his program that has wasted nearly 5 million taxpayer dollars," a press release from party headquarters stated.

Voucher defenders say such criticism is unfair.

"The hue and cry is over transportation, busing," said Mrs. Holt. "It's never about education and removing the caste system that has been allowed to occur with our children in urban settings who are socioeconomically deprived. Now they have access to private education and are doing well, and people in various corners have an agenda and don't want to see it happen."

[From the Washington Post, Apr. 8, 1998]  
IN CLEVELAND, VOUCHERS FAIL TO RAISE  
TEST SCORES

(By Rene Sanchez)

A new evaluation of one of the nation's few school voucher programs has found that stu-

dents using the tuition stipends to pay for private education are not achieving better test scores than similar students who are still in public schools.

The two-year-old Cleveland program gives 3,000 needy students publicly funded scholarships worth as much as \$2,250 to attend private schools. Advocates have touted the idea, which is one of the most divisive education issues in the country, as a way to give better learning opportunities to children trapped in failing public schools.

But in a new report commissioned by the state of Ohio, researchers contend that the promise of Cleveland's voucher experiment so far has not been fulfilled. They found "no significant differences" in achievement in either reading, math or science between students using vouchers and a comparable sample from Cleveland's public schools. Both groups of students were assessed near the end of the voucher program's first year.

And in a separate measure of the program's performance, a new audit is raising questions about how some of its funds are being spent. Students with vouchers, for example, have spent a total of about \$1.4 million in state money to take taxicabs to class, rather than the school buses they would ride if they were part of Cleveland's public school system.

Opponents of vouchers said that both findings show how flawed the voucher idea is. "It's a significant early signal that this is not a magic bullet by any means for educating poor children," said Sandra Feldman, president of the American Federation of Teachers.

Only one other city, Milwaukee, allows students to use vouchers, but Republican leaders in Congress have the idea atop their education agenda. Arguing that public schools would benefit from competition and that poor parents deserve more educational choices for their children, they are proposing to use federal money to create similar voucher programs for students in the District and several dozen other cities.

President Clinton adamantly opposes that plan. He and other voucher opponents say the idea would drain money and civic support from the public schools that need it most. Critics also contend that letting students use vouchers for religious schools, as both Cleveland and Milwaukee want to do, is unconstitutional.

The new report on Cleveland's program focuses only on the question of academic achievement. Those who support vouchers cautioned against drawing too much from its conclusions. They said judging the academic work of students will take more time.

"We're still very confident that over the long term, these students will show more gains in their academic scores," said Tom Needle, the education adviser to Ohio Gov. George V. Voinovich (R), who pushed for the voucher plan. "It's not surprising to see these findings at the very beginning of a program."

Needle also said that a privately funded study of Cleveland's program conducted last year by a Harvard University professor showed that students using vouchers are making more academic strides. It also reported great enthusiasm for the program among their parents.

In the latest evaluation, researchers at Indiana University compared the achievement of 94 students using vouchers with 494 students still enrolled in Cleveland public schools. Both groups were tested before the voucher program began and near the end of its first year. Their scores in every subject tested were roughly the same. Both groups were third-graders with virtually the same backgrounds: Nearly all of them were African American or Hispanic children living in poverty and with only one parent at home.

As has been the case in every attempt to assess Milwaukee's voucher program, the methodology that researchers have used in Cleveland is provoking disputes.

But the audit, which suggested that oversight of some voucher funds has been lax, already is prompting changes. The number of taxicabs that students are using, Needle said, has been cut by more than two-thirds. Also, the next group of students who receive vouchers and lack private means of transportation will have to select private schools in walking distance from their homes, or ones that are near city bus routes.

"Their choice of schools will have to be limited somewhat," he said.

AMENDMENT NO. 2017

(Purpose: To delete education IRA expenditures for elementary and secondary school expenses)

Mr. GLENN. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Ohio [Mr. GLENN] proposes an amendment numbered 2017.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 101 and insert the following:  
**SEC. 101. MODIFICATIONS TO EDUCATION INDIVIDUAL RETIREMENT ACCOUNTS.**

(a) MAXIMUM ANNUAL CONTRIBUTIONS.—

(1) IN GENERAL.—Section 530(b)(1)(A)(iii) (defining education individual retirement account) is amended by striking "\$500" and inserting "the contribution limit for such taxable year".

(2) CONTRIBUTION LIMIT.—Section 530(b) (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(4) CONTRIBUTION LIMIT.—The term 'contribution limit' means \$500 (\$2,000 in the case of any taxable year beginning after December 31, 1998, and ending before January 1, 2003)."

(3) CONFORMING AMENDMENTS.—

(A) Section 530(d)(4)(C) is amended by striking "\$500" and inserting "the contribution limit for such taxable year".

(B) Section 4973(e)(1)(A) is amended by striking "\$500" and inserting "the contribution limit (as defined in section 530(b)(5)) for such taxable year".

(b) WAIVER OF AGE LIMITATIONS FOR CHILDREN WITH SPECIAL NEEDS.—Section 530(b)(1) (defining education individual retirement account) is amended by adding at the end the following flush sentence:

"The age limitations in the preceding sentence shall not apply to any designated beneficiary with special needs (as determined under regulations prescribed by the Secretary)."

(c) CORPORATIONS PERMITTED TO CONTRIBUTE TO ACCOUNTS.—Section 530(c)(1) (relating to reduction in permitted contributions based on adjusted gross income) is amended by striking "The maximum amount which a contributor" and inserting "In the case of a contributor who is an individual, the maximum amount the contributor".

(d) NO DOUBLE BENEFIT.—Section 530(d)(2) (relating to distributions for qualified education expenses) is amended by adding at the end the following new subparagraph:

"(D) DISALLOWANCE OF EXCLUDED AMOUNTS AS CREDIT OR DEDUCTION.—No deduction or credit shall be allowed to the taxpayer under any other section of this chapter for any

qualified education expenses to the extent taken into account in determining the amount of the exclusion under this paragraph."

(e) TECHNICAL CORRECTIONS.—

(1)(A) Section 530(b)(1)(E) (defining education individual retirement account) is amended to read as follows:

"(E) Any balance to the credit of the designated beneficiary on the date on which the beneficiary attains age 30 shall be distributed within 30 days after such date to the beneficiary or, if the beneficiary dies before attaining age 30, shall be distributed within 30 days after the date of death to the estate of such beneficiary."

(B) Section 530(d) (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

"(8) DEEMED DISTRIBUTION ON REQUIRED DISTRIBUTION DATE.—In any case in which a distribution is required under subsection (b)(1)(E), any balance to the credit of a designated beneficiary as of the close of the 30-day period referred to in such subsection for making such distribution shall be deemed distributed at the close of such period."

(2)(A) Section 530(d)(1) is amended by striking "section 72(b)" and inserting "section 72".

(B) Section 72(e) (relating to amounts not received as annuities) is amended by inserting after paragraph (8) the following new paragraph:

"(9) EXTENSION OF PARAGRAPH (2)(B) TO QUALIFIED STATE TUITION PROGRAMS AND EDUCATIONAL INDIVIDUAL RETIREMENT ACCOUNTS.—Notwithstanding any other provision of this subsection, paragraph (2)(B) shall apply to amounts received under a qualified State tuition program (as defined in section 529(b)) or under an education individual retirement account (as defined in section 530(b)). The rule of paragraph (8)(B) shall apply for purposes of this paragraph."

(3) Section 530(d)(4)(B) (relating to exceptions) is amended by striking "or" at the end of clause (ii), by striking the period at the end of clause (iii) and inserting ", or", and by adding at the end the following new clause:

"(iv) an amount which is includible in gross income solely because the taxpayer elected under paragraph (2)(C) to waive the application of paragraph (2) for the taxable year."

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1998.

(2) TECHNICAL CORRECTIONS.—The amendments made by subsection (e) shall take effect as if included in the amendments made by section 213 of the Taxpayer Relief Act of 1997.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, parliamentary inquiry. As I understand it, the Senator from Ohio has just offered his amendment, so that triggers 15 minutes equally divided on both sides.

The PRESIDING OFFICER. Thirty minutes equally divided.

Mr. COVERDELL. Mr. President, I ask unanimous consent that our side be accorded time similar to that which was just utilized by the Senator from Ohio so that both sides will have had approximately the same amount of time for the amendment.

Mr. GLENN. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I rise in opposition to this amendment. This amendment would not permit educational IRAs to be used to pay the expenses of kindergarten up through 12th grade. This proposal to limit the use of educational IRAs would dramatically—I want to emphasize "dramatically"—reduce the benefits of an educational IRA for American families.

I believe that it is a fundamental principle that a parent should have the right and the ability to make decisions about his or her child's education—to decide basic questions, such as how the child should be educated and where the child should attend school. The rich should not be the only ones that too often have this choice—although there are many, many children from middle-class families who attend private schools at great personal sacrifice of their families.

What we seek here is to give a choice to all families as to where their child will attend school. We should not try to control that parental right by providing tax benefits only to those parents who make what some Members of this body consider to be the correct choice. We should all remember that last year, when the Senate passed a variety of provisions targeted towards helping American families cope with the costs of a quality education, we made no distinction between public and private schools or between higher education and secondary or elementary schools.

For example, we did not say that an educational IRA would only be available if a student attended public school or college. We did not say that a student who attended the University of Maryland would receive a tax benefit, but a student who attended George Washington University would receive nothing. We did not say that a student who attended college would receive a tax benefit, but a student who incurred costs in connection with secondary or elementary school would receive nothing.

The bottom line was that we treated all schools the same. And the reason for that treatment is that we did not consider it our business to set up a system where some schools were favored over others.

Mr. President, we should also not forget that it is the taxpayer who funds the education IRA. It is the parents—the parent who put his or her hard-earned money into the education IRA. And it seems a matter of common sense, therefore, that the parents should be able to choose how to spend that money.

To fully receive the benefits of an education IRA, parents should try to

establish accounts for their schoolchildren as early as possible. If the parent can afford to make contributions early in a child's life, the benefits of the education IRA will increase dramatically through the magic of tax-free compounding within the IRA. At this early stage in a child's life, parents may not know whether they will send their children to a private or public school. Parents also may not know whether they will need the benefits of an education IRA for elementary and secondary school or for higher education.

There are many, many factors that go into these important decisions. The needs of the child may change. The family may move into a different school district. The quality of the neighborhood schools may rise or fall. It is simply unfair to make the parent look into a crystal ball and predict what type of school their child may attend or how much that school may cost. This places too great of an unnecessary burden on the parent.

The side effect of that burden of making parents look into the future is that parents may be reluctant to fully utilize the education IRA. The parents may not contribute the maximum amount of money that they can to these accounts. That, Mr. President, would be most unfortunate because it would defeat the whole purpose of the education IRA concept.

Moreover, Mr. President, the existing provisions of the bill do not favor the wealthy, as some here have argued.

First of all, there is an adjusted gross income phaseout. In other words, only parents with incomes below a certain threshold can take advantage of the tax savings in the education IRA.

Second, it simply is not true that only rich kids attend private schools. As I said earlier, many, many children from middle-class families attend private schools at great personal sacrifice on the part of their parents. For instance, according to the National Catholic Education Association, of the families with children in Catholic schools, almost 70 percent of those families have incomes below \$35,000; almost 90 percent of those families have incomes below \$50,000.

If we adopt this amendment, all of those families will be shut out from receiving the tax benefits in the education IRA, as would all of the roughly 38 million families who have children in either public or private elementary and secondary schools.

Mr. President, limiting the education IRA is not good policy, and it does not make sense for American families. Accordingly, I oppose this amendment, and I urge my colleagues to do the same.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator's side has 26 minutes.

Mr. COVERDELL. Mr. President, will the Chair notify this Senator when 15 minutes remain?

The PRESIDING OFFICER. Very well.

Mr. COVERDELL. Mr. President, I rise in support of the Senator from Delaware, the chairman of the Finance Committee, and his message with regard to the amendment that has just been offered by the Senator from Ohio.

I would like to just reiterate several key points.

The Senator from Ohio infers that the education savings account directs public money to a private school. This is not correct. All of the money in the education savings accounts is after-tax dollars saved by families, whether their children are in public schools, or private, or home schools. These are not public dollars, they are private dollars, No. 1.

No. 2, the suggestion, to me, is egregious that if, for whatever reason, a family had chosen that their child would go to a private school, they would be disallowed from creating a savings account, as a family would that has made the decision to send their child to a public school. It is important to note that according to the Joint Tax Committee, 70 percent of the families who use these savings accounts would have children in public schools, 30 percent would have children in private schools.

Mr. President, the education savings account that we are debating here today is identical to the education savings account that the President and the Senate and House confirmed and put into law last year. It is identical. That savings account that was celebrated on the White House Lawn allowed a family to save \$500 a year, and whatever interest was earned would be tax free if it was used for higher education—higher education at the University of Georgia, or higher education at Georgetown just down the street, or higher education at the University of Texas, or higher education at Southern Methodist University. All we are proposing is that the account be allowed to be larger so it would be meaningful to save up to \$2,000 and have the same criteria, which means that most of these benefits and most of these savings will flow to people who make less than \$75,000 a year.

But, again, I want to reiterate, the very criterion, the very instrument, which the House and Senate passed, the President signed, and we all celebrated, is identical to this savings account except that this savings account could be larger, more meaningful, and this savings account would apply to kindergarten through high school, not just college. It is the only difference.

So I find it interesting that the Senator from Ohio would want to deny a family who has a child in kindergarten through high school from going to a private school but it is OK if they go to

a private college, or to be worried about the income of the family that is going to take advantage of it when he wasn't worried about it when we were talking about a family that might send their children to college. Why are we suddenly setting a different set of criteria for families with children at kindergarten through high school? It is just perplexing.

I want to reiterate that this savings account, on which the chairman is so knowledgeable on the concept of IRAs, is identical in who can use it, who can't, how it can be used, and how it can't be used as the House and Senate passed last year, signed by the President, and celebrated by everybody. The only thing we have done is to represent that it allow people to save more and allow them to use it not just for college but for kindergarten through high school. They can use it for college, too, if they want. They can use it, if they have a disabled student, after college. But it is the same as the one that was adopted. So these arguments are suspicious. It sounds to me as if this amendment is designed to defend the status quo.

Now, the Senator from Ohio said, in effect, that we have some problems in kindergarten through high school, that some of the data, a lot of the data, are suggesting that we have people coming out of these schools who have trouble reading and writing and adding and subtracting. And so giving families tools that might help them deal with that, whether the child is in a public or private school, whether the child needs a tutor or a home computer, there is no American child whose family has made a decision about where they can best get that education, that we should strap or put an anvil around their leg over some philosophic exercise up here in defense of the National Education Association.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I understand that the amendment of the Senator from Ohio is pending. Am I correct?

The PRESIDING OFFICER. That is correct.

Mr. KENNEDY. As I also understand, having been recognized, I can also speak on the bill itself. Am I correct?

The PRESIDING OFFICER. It would take unanimous consent to speak on the bill. We are now on the amendment.

Mr. KENNEDY. As I understand, I can temporarily set aside the pending amendment.

The PRESIDING OFFICER. By unanimous consent.

Mr. KENNEDY. I ask unanimous consent to temporarily set it aside.

The PRESIDING OFFICER. Is there objection?

Mr. COVERDELL. I object.

Mr. ROTH. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum and ask that the time be divided equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask that the amendment that is pending be temporarily set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AMENDMENT NO. 2289

(Purpose: To provide an additional 100,000, well-qualified elementary and secondary school teachers annually to the national pool of such teachers during the 10-year period beginning with 1999 through a new student loan forgiveness program)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 2289.

Mr. KENNEDY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 101, and insert the following:

#### SEC. 101. LOAN FORGIVENESS FOR TEACHERS.

(a) FINDINGS.—Congress makes the following findings:

(1) Our Nation is witnessing a 10-year rise in the elementary and secondary school age population. Between the fall of 1996 and the fall of 2006, total elementary and secondary school enrollment will rise from a record 51,700,000 to 54,600,000, a rise of approximately 3,000,000 children. Elementary school enrollment is projected to grow by 2 percent, from 37,300,000 to 38,100,000, while secondary school enrollment is expected to rise by 15 percent, from 14,400,000 to 16,500,000.

(2) In addition to the enrollment increases, many of the Nation's elementary and secondary school teachers working in 1998 will begin to reach retirement age. According to the National Center for Education Statistics data, between one-third and one-half of all elementary and secondary school teachers are 45 years old or older. Qualified, experienced elementary and secondary school teachers will be leaving the profession at a time when the demand for the teachers is at the highest level in our Nation's history.

(3) There is a lack of qualified elementary and secondary school teachers in specific geographic and content areas. More than one-

half, 56 percent, of secondary school students taking physical science courses are taught by teachers who have no background in physical science. Twenty-seven percent of secondary school students taking any level mathematics course are taught by teachers with no mathematics background. Students in inner-city schools have only a 50 percent chance of being taught by a qualified mathematics or science teacher. States that have large percentages of classes taught by teachers without a background in a particular subject area, such as Tennessee (26.5 percent), Florida (26.4 percent), Louisiana (26.2 percent), and Maryland (25.6 percent), demonstrate the need for increased numbers of elementary and secondary school teachers with the necessary qualifications.

(4) Our Nation must address the need described in paragraph (3) to ensure a qualified elementary and secondary school teacher for every child in every elementary and secondary school course.

(b) **PURPOSE.**—The purpose of this section is to create a Federal student loan forgiveness program to attract individuals to careers as elementary and secondary school teachers.

(c) **LOAN FORGIVENESS FOR TEACHERS.**—Part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) is amended by inserting after section 428J (20 U.S.C. 1078-10) the following:

**"SEC. 428K. LOAN FORGIVENESS FOR TEACHERS.**

**"(a) PROGRAM AUTHORIZED.**—The Secretary is authorized to carry out a program of assuming the obligation to repay a loan made, insured, or guaranteed under this title (excluding loans made under section 428A for any new borrower after July 1, 1998, who is employed as a full-time elementary school or secondary school teacher—

**"(1)** in a school served by a local educational agency that is eligible for assistance under part A of title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.); or

**"(2)** who teaches mathematics, science, foreign language, bilingual education, or any other area that the State educational agency determines to be an area for which there is a shortage of qualified elementary school or secondary school teachers.

**"(b) LOAN REPAYMENT.**—

**"(1) IN GENERAL.**—The Secretary shall assume the obligation to repay—

**"(A)** 15 percent of the total amount of loans incurred by the borrower under this title, not to exceed \$1,200 per year, for each of the first two years the borrower meets the employment requirement described in subsection (a);

**"(B)** 20 percent of such total amount, not to exceed \$1,600 per year, for each of the third and fourth years the borrower meets such requirement; and

**"(C)** 30 percent of such total amount, not to exceed \$2,400, for the fifth year the borrower meets such requirement.

**"(2) CONSTRUCTION.**—Nothing in this subsection shall be construed to authorize the refunding of any repayment of a loan under this title.

**"(3) INTEREST.**—If a portion of a loan is repaid by the Secretary under this section for any year, the proportionate amount of interest on such loan which accrues for such year shall be repaid by the Secretary.

**"(c) REPAYMENT TO ELIGIBLE LENDERS.**—The Secretary shall pay to each eligible lender or holder for each fiscal year an amount equal to the aggregate amount of loans which are subject to repayment pursuant to this section for such year.

**"(d) APPLICATION FOR REPAYMENT.**—

**"(1) IN GENERAL.**—Each eligible individual desiring loan repayment under this section

shall submit a complete and accurate application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require. Loan repayment under this section shall be on a first-come, first-served basis and subject to the availability of appropriations.

**"(2) CONDITIONS.**—An eligible individual may apply for repayment after completing each year of qualifying employment. The borrower shall receive forbearance while engaged in qualifying employment unless the borrower is in deferment while so engaged.

**"(e) DEFINITIONS.**—For the purpose of this section the term "eligible lender" has the meaning given the term in section 435(d).

**"(f) AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this section \$3,600,000 for each of the fiscal years 1999 and 2000."

Mr. KENNEDY. Mr. President, as I understand it, now there is 15 minutes for the proponents of the amendment; is that correct?

The PRESIDING OFFICER. That is correct.

PRIVILEGE OF THE FLOOR

Mr. KENNEDY. I yield myself 10 minutes. I ask unanimous consent Connie Garner, a legislative fellow in my office, be granted floor privileges during debate on the Coverdell tax bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, the amendment, which hopefully we will have more of an opportunity to debate later this week, deals with meeting the demand for qualified teachers in this country. We are seeing an expansion of the number of students in our elementary-secondary education. This amendment would provide for an increase of 100,000 schoolteachers a year for the next 10 years. It would effectively meet half of the Nation's requirements to do so.

There are very compelling reasons to support this amendment if we are going to be serious about ensuring the adequacy of the academic achievement and accomplishment for those students who are attending our public schools. We have devised a way of doing this through a loan forgiveness program that is taking the concept, for example, of the National Health Service Corps—which is a resounding success. Doctors serve in underserved areas and see a diminution of their debt with the years of service in the Health Service Corps. Given the need that we have for teachers to serve in our schools, this would provide an incentive for those who have indebtedness and would like to work as schoolteachers but are unable to do so because they are required to go to other jobs that may have more financial reward although they would prefer to work in the schools. This provides the means for them to do so. I plan to speak of that at greater length tomorrow or the next day and will take the opportunity to do so at that time, when the leadership works out the scheduling of the particular amendments.

Mr. President, given the shortage of time, I just want to come back to some rather fundamental and basic issues

that are involved in this debate. When all is said and done and when all the explanations are made, I think it is appropriate that we find out who are going to be the winners and who are going to be the losers. It is always interesting to listen to our colleagues explain what they hope might be achieved by the amendment, and then also examine what, in fact, will be achieved by this amendment and who will benefit from this particular amendment.

As we had seen during our earlier debate and discussion on the Coverdell amendment, there are some very important winners and important losers. But the fact remains that, according to the Joint Tax Committee—which is neither a Republican committee nor a Democratic committee, but serves to provide technical information on the impact of a tax proposal to the membership, that the bill gives the benefit to those going to the private schools. At the present time, nationwide, 93 percent of American families send their children to the public schools, 7 percent to the private schools. We certainly know the important role private schools have in our society. But with scarce resources we have to ask the question whether we want to use scarce resources to add to the private schools or to the public schools. I do not believe we should abandon the public school system in this country. I think we have a responsibility to the public schools. If we have scarce resources, we ought to find ways of targeting scarce resources in ways that can be academically important and enhance the ability of our children to make progress in the public schools.

So, with the analysis that was done by the Joint Tax Committee, they indicated where the money would go. Mr. President, 48 percent of the tax benefit would go to families that send their children to the public schools and 52 percent would go to families that send them to the private schools. Then, if you see that only 7 percent of Americans go to private schools, you see that a majority of the benefit of this proposal will go to a relatively small number of families who are sending their children to the private schools.

That is not what the Senator from Massachusetts is saying; that is what the Joint Tax Committee tells us. We have a certain amount of resources that will be collected through the tax system. When they are collected, they will be disposed of—at least according to the Joint Tax Committee estimate—in this way. There are better ways to spend public tax dollars. An after-school program, could benefit the 5 million children who left school just about a half-hour ago, and will go home without any supervision. Maybe we should have the kinds of programs that we have seen that are effective, which provides some opportunity for those children to go to after-school programs, where they are able to work with their homework and get that

homework done so when they finally go back home to their parents, one or two of whom may be working, that they can have quality time with their parents rather than having the parents telling them you better go upstairs and get your homework done.

This is really a basic, fundamental issue, whether we have sufficient funds that are available to the Congress where we want to try to provide this kind of benefit to a relatively small group of parents. I do not think that we do.

I have heard a lot from our colleagues on the other side talking about entitlements. There was a great debate about entitlements here on the floor of the U.S. Senate over the last 3 or 4 years. This basically is a new entitlement. This is a new entitlement by our Republican friends. We heard the criticisms of so many entitlements over the past. Now we have the creation of a new entitlement. Once this is passed and goes into the Internal Revenue Code, it will be out there available to anyone who would be able to develop this kind of an IRA. That effectively is an entitlement. But it is an entitlement that is going to benefit a relatively small group of families who are going to be using those resources primarily in the private schools.

There may be those who feel that is the way we ought to go. But I think you will find here on our side, on the Democratic side, a range of different proposals that say we will not abandon our public schools in this country. We think they need modernization, they need some help and assistance in the construction program. We are very creative. An important, significant amendment will be offered by the Senator from Illinois, CAROL MOSELEY-BRAUN. There will be programs that will say we ought to have smaller class sizes. That has been demonstrated to improve academics for children. That amendment will be offered by Senator MURRAY. We ought to support public schools.

The benefit of those programs go to all of those parents whose children are going to the public schools. That is a very important, basic difference. It is targeted programs that can really make a difference in enhancing academic achievement and accomplishment.

We will have an opportunity, as well, to debate concepts such as that proposed by the Senator from the State of Washington, Senator GORTON, that block grants education programs, undermining targeting of scarce resources, and undermining accountability. We will have a chance to debate those.

The PRESIDING OFFICER. The 10 minutes have elapsed.

Mr. KENNEDY. I yield myself 1 more minute. We will have a chance as well to debate whether we will uphold the civil right of children with disabilities. That is going to be a very important debate.

But I hope, as we are starting off on this Monday, and as we are going through this debate over the period of the next 4 or 5 days, to understand what is really the issue. With the amount of funds that are going to be made available under this program, which is effectively a new entitlement program, \$1.6 billion, are we going to say we should use that in such a way that it is going to benefit a small number of families who are going to primarily use these funds for private schools? Or are we going to say, with scarce resources, we ought to use that money in order to benefit the large number of children who are going to the public school systems and we ought to use that in an effective and creative way, to make sure that children who are going to our public school systems are going to get a good education in safe, modern schools?

Mr. President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, how much time is remaining on the other side?

The PRESIDING OFFICER. The Senator from Massachusetts has 3 minutes 45 seconds.

Mr. COVERDELL. Mr. President, again, I am puzzled by the vociferous opposition of the Senator from Massachusetts to an education savings account. I repeat what I said a moment ago when I was responding to the Senator from Ohio.

The education savings account that we are proposing and talking about today is nothing more than an expansion of the savings account that has already been adopted by the Senate and House and signed by the President last year. Last year, we created an education savings account that allowed a family to save \$500 a year, and the interest that was earned would not be taxed if the account was used for the cost of higher education.

We have taken the same account—it applies to the same earning level, who can use it and who can't; it is directed to the middle class—the same criteria. There is no change whatsoever. Identical. That savings account can be used by a family to go to Georgetown down the street here or to the University of Georgia.

We have said to those same families in America that we all celebrated because they have this \$500 savings account for higher education, we are going to say instead of \$500, let's allow a family to save up to \$2,000 so they can really build up the kitty. We said, why limit it to college when there is so much trouble in kindergarten through high school? Let's let the family use it whenever they need it. They may need it when the child is in sixth grade because of dyslexia or a learning disability. They may need it in freshman high school because of a math deficiency. They may need it because the child cannot compete because of not having a home computer.

We have taken the very instrument that was so celebrated on the White House lawn, a \$500 savings account, and said let's let it be up to \$2,000, and instead of just limiting it to college, although it could be used for college, let's let them use it whenever they need it—kindergarten through high school or college. No change. Same group of families. Same criteria. Use it in the same way. It is just bigger if they want to make it bigger, and it covers all the school years, not just some of them.

Whatever all these concerns are that the Senator just alluded to would have applied to what we did last year. It would have had the same discrimination; it would have favored the same kind of families as his chart alludes to in that account.

Mr. KENNEDY. Will the Senator yield on that point?

Mr. COVERDELL. I will be glad to yield.

Mr. KENNEDY. Doesn't the Senator draw a distinction between the mandatory requirements that we have for the public school system for our 55 million children and those who are going to higher education, which is basically not a mandated requirement? That is an optional requirement and, therefore, historically higher education has always been treated differently.

Mr. COVERDELL. Let me respond to the Senator. I recognize there is a distinction with the public-private issue, but the Senator spent a good bit of his time trying to suggest that certain kinds of families would benefit; that the dollars are skewed, there was some formula here that was working against the public interest.

My point to the Senator from Massachusetts is, it is identical to the formula that was used when we created the higher education savings account. Identical. It is just that folks can save more now for kindergarten through high school or they can save it for college. They have a chance to save more, and they have a chance to use it more frequently.

The Joint Tax Committee has said that in this education savings account, 14 million families will probably use it; 20 million kids, that is half the school population almost.

Here is the point that I would like to make to the Senator: What is amazing to me about this education savings account is that it takes such a little incentive to make Americans do huge things. The tax relief to these 14 million families over the next 5 years is just a pittance over \$500 million—over 5 years. What do the 14 million families do because of that? They save over \$5 billion—\$5 billion. That puts 5 billion volunteer dollars—these are not tax dollars; no school board has to levy a new property tax; no State government has to raise their income tax; the Federal Government doesn't have to raise taxes—the people on their own, because of the nature of the savings account, save \$5 billion. Seventy percent of



those families will have children in public schools, and 30 percent will have children in private schools. About half the money will end up helping children in public schools, and about half the money will help children in private schools.

Everybody is a winner here. There are no losers. A lot of times we do things in Washington and somebody gains and somebody loses. But in this case, everybody wins. The public school system wins; the private school system wins. People with kids in public schools can use the savings account; people with kids in private schools can use the savings account.

I see I have just been joined by the distinguished Senator from Indiana, so I am going to yield to him.

But everybody wins. These are not public dollars. These are volunteer dollars to help children wherever they are going to school.

Mr. President, I yield 5 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized for 5 minutes.

Mr. COATS. Mr. President, I rise in opposition to the amendment that is currently before us. Although Senator KENNEDY may be using the opportunity to talk about the broader bill, it is the amendment that we will have to vote on unless that amendment is withdrawn. I want to briefly state reasons why I think Members should vote against that particular amendment.

A primary reason is that it is unnecessary. The Labor Committee on which both the Senator from Massachusetts and I serve has, as part of the Higher Education Act, just unanimously voted out of the committee a loan forgiveness program for teachers, which I believe is far more effective than what is being offered by the Senator from Massachusetts.

That teacher loan forgiveness program provides loan forgiveness to teachers who have loans that are eligible for the interest subsidy, ensuring that those who qualify would be most in need of help of repaying the loans.

The second condition is that the teacher be employed for 3 years; third, that they teach in a public or private school whose school district has 30 percent or more of its students eligible for title I assistance; that they have an academic major in the subject area in which they teach if they are a high school teacher, and have demonstrated knowledge and teaching skills in reading, writing, and mathematics if they are elementary schoolteachers.

The reason these conditions were imposed and, by the way, again, unanimously accepted by the Labor Committee, is because we wanted to target loan forgiveness to the most qualified teachers. We did not want a broad, all-encompassing loan forgiveness program, which I believe the amendment of the Senator from Massachusetts covers about 90 percent of the teachers in this country—all those employed with-

in the title I schools, which equals about 90 percent. The issue is not just more teachers; the issue is better qualified teachers.

Statistics show, and studies show, that the real shortage is not the number of teachers—I could go into some detail on that, but I do not have time to do it—but the issue and the need is for qualified teachers. So we have structured this loan forgiveness program to support and emphasize teachers who meet these particular qualifications.

The second reason I believe Members should not support this particular amendment is that the average debt for teachers is considerably more than what the Senator's amendment offers in terms of forgiveness. Ours allows provisions for up to \$10,000 of loan forgiveness, which more closely meets the debt problems that teachers currently face, rather than the \$8,000 which the Senator's amendment provides.

Finally, the amendment is directed toward schools in general, the loan forgiveness program, whereas the Labor Committee amendment is basically directed toward the poorest schools, teachers that meet the qualifications as outlined in the Labor Committee's language, which is designed specifically for the purpose of trying to address the most critical need in this country, and that is getting qualified teachers who have the credentials to teach and are teaching in the Nation's poorest schools. I outlined those criteria earlier.

But that was the basis for the Labor Committee's drafting of the language to address the most critical need, and that is where we ought to be putting our resources. It is not the schools in some of the more affluent suburbs that are having problems attracting teachers, particularly qualified teachers; it is the schools in the poorest districts, the schools in the low-income districts, the schools in the minority districts, that are having trouble attracting qualified teachers to teach their students. Those are the teachers that we want to encourage through this loan forgiveness program.

So for those reasons, I urge our colleagues to oppose the amendment being offered by the Senator from Massachusetts, primarily because it is not needed, it has been addressed, it has been supported unanimously by the Labor Committee. It is directed toward the areas that need it the most; it is directed towards supporting qualified teachers. For those reasons, I urge a no vote on the amendment.

The PRESIDING OFFICER. The 5 minutes have expired.

Who yields time?

Mr. KENNEDY. Mr. President, I yield myself a minute just in response to the Senator from Indiana.

This is a basic substitute to the Coverdell amendment. We have an opportunity to say it is more beneficial to the children that are going to our public schools to support our amend-

ment that is going to increase the number of qualified teachers than to support the Coverdell amendment which is primarily going to benefit the parents who are sending their children to private schools, No. 1.

Secondly, I hope that my friend and colleague would read my amendment more carefully, because it does target the teachers into the underserved areas, and also it targets teachers into the areas where the State finds that there are critical shortages in terms of the type of specialty needs—for example, in subject matters, for example, in math and science, and others, and does it, I think, more creatively than we have done in the higher ed bill.

I yield myself another minute.

It is clearly responding to what our Human Resources Committee has had hours of hearings on, and that is the importance of having high-quality teachers for our expanded school-age population. I am a strong supporter of what we have done in the higher ed bill, but it is not going to be enough to be able to meet the needs of the Nation. And every study we have done has pointed this out. If you want to try and benefit public schools and teachers, my amendment is the way to do it. If you want to abandon public schools and move towards the support of families that are sending their children to private schools, then the Coverdell bill is the way to do it.

I withhold the balance of my time.

The PRESIDING OFFICER. Who seeks time?

Mr. COVERDELL. I yield 1 minute to the Senator from Indiana.

Mr. COATS. Mr. President, the Labor Committee, of which the Senator from Massachusetts is the ranking member—the Senator joined his colleagues on the Democrat side and joined all Republicans in passing out of the Labor Committee language unanimously. He did not offer his amendment there, so I just wonder what has changed. Obviously, what has changed is that the amendment is designed to gut the underlying Coverdell bill.

Secondly, the language of the Senator's amendment is not targeted. It says title I eligibility. Title I covers 96 percent of all schools. That is not targeted. Targeted is designed to address a specific problem. A specific problem is the minority students, poor students, students in poor districts who are not getting the qualified teachers and the education they need.

This Labor Committee product targets it towards those teachers. The Senator's language does not target; it says, where there is a shortage of qualified elementary and secondary school teachers under the title I programs. That is 96 percent. I do not call that being targeted.

So for those reasons, I believe we should oppose the amendment.

Mr. COVERDELL. Mr. President, I move to table the pending amendment of the Senator from Massachusetts and ask for the yeas and nays on the motion.

The PRESIDING OFFICER. The motion to table is premature until the time has expired for the proponents. And they have 1 minute 43 seconds remaining.

Mr. KENNEDY. Mr. President, I ask the Senator to reread the amendment. If he looks at the loan forgiveness for the teachers, on line 8 it talks about the title I programs which are targeted to the poorest schools. At paragraph (2), line 12, it makes reference to teachers who teach math, science, foreign languages, and that the State educational agency determines it.

So I do realize that we have supported a good program that is coming out of our Human Resources Committee. But the Budget Committee put hands down, thumbs down, on a very similar program that was advanced by the President of the United States. We have real money here on the floor of the U.S. Senate. And this is an opportunity that if you want to do something about increasing the number of qualified teachers, our amendment does it. If you do not want to do that, and you want to benefit the private schools, you will vote against this.

I urge the Senate to oppose the anti-education Republican tax bill. Improving education can and must be a top priority for Congress and the nation. But this Republican bill flunks the test. They call it their "A+" bill. But, it's anti-education, and it deserves an "F." This Republican bill and its proposed Republican amendments are bad tax policy, bad education policy, and bad disability policy, and it clearly deserves the veto that President Clinton has pledged to give it.

It is the nation's public schools that need help. So what do our Republican friends to? They proposed legislation that aid private schools. That makes no sense at all. Our goal is to strengthen public schools, not abandon them. Our goal is to help all children get a good education—not just the ones with wealthy parents.

It is clear that our Republican friends are no friends of public schools. They have an anti-education agenda. They want tax breaks for the wealthy who send their children to private schools. They want to cut the budget for public schools. They want to dismantle the federal role in education. They want to eliminate civil rights protections for children with disabilities. The Republicans have put the cards on the table—and it's a losing hand for education.

Over the course of the limited debate on this bill, we will discuss good ideas that will help improve public schools such as rebuilding the nation's schools, reducing class size, forgiving student loans for college graduates who teach in high-need areas, and increasing funding for children with disabilities. I urge my colleagues to support these very important Democratic amendments. I also urge my colleagues to oppose Republican amendments to that undermine public education, and make a bad bill worse.

I understand that we will be voting on a new version of a block grant for education, sponsored by Senator GORTON. It is clear that this amendment will undermine the federal commitment to improve the nation's schools. There have been no hearings on this proposal and no committee review of the proposal. It would be irresponsible for the Senate to support this proposal to revamp the federal role in education after a total of only 30 minutes of debate.

The proposed Gorton amendment hurts students and goes against the nation's commitment to helping poor and educationally disadvantaged students who need our strong support. It also undermines the partnerships that have been created by federal, state, and local education agencies to improve all schools for all children.

We all agree that education is a local responsibility. But the states and the federal government are important partners in helping to improve education for all children. We all need to work together to improve the nation's public schools.

This amendment rejects that basic principle. It destroys carefully crafted and widely supported federal programs. And it undermines accountability for improving the achievement of all students.

Currently, federal funds are offering a helping hand to local school districts in meeting high priority responsibilities important to the nation as a whole. The funds help schools and school districts improve reading and math skills of disadvantaged students, help teachers get the extra skills they need to teach all children to higher standards, help communities create safe and drug-free schools, and help communities modernize their schools.

This amendment creates a "General Education Block Grant" by combining funds from 20 targeted programs. Then it limits the use of those funds to only 8 activities. It denies local communities the funds to make schools safe and drug-free. It denies local communities the funds to improve skills of math and science teachers. It denies local communities the funds to continue their efforts to set high academic standards for all children.

In addition, in response to growing needs of schools in communities across the country to address problems such as low student performance, rising enrollments, and lack of adequate modern technology, the amendment would cap spending at 2.3 percent per year for the next five years. These limits are far below the necessary increases we made over the last two years of 15 percent and 12 percent. It would be irresponsible for Congress to do so little to help communities address their growing and pressing educational needs.

Contrary to arguments made by proponents of the amendment, federal education laws are more flexible and school-friendly than ever before. States and local education agencies are work-

ing in closer and more effective cooperation. The result is that schools are doing a better job of helping all children meet higher standards of achievement.

The federal-state-local partnership in education isn't broken, and this amendment can't fix it. Congress should be doing all it can to strengthen that partnership, not destroy it.

As a nation, we have made a commitment to help all students have the opportunity to get a good education. We have a responsibility to make sure that public tax dollars are well spent. This amendment provides no accountability for how these dollars are spent. Reforming the federal role in education does not mean abdicating that role.

This amendment is the wrong direction for the nation's children and the wrong direction for education. It is not an attempt to offer a helping hand to local schools. It is simply a thinly-veiled attempt to dismantle the federal role in education.

We should support efforts to improve education for all students, not undermine them. I urge my colleagues to oppose the Gorton block grant amendment.

Another problematic amendment that I understand will be introduced later in the debate is the Gregg amendment to allow states and school districts to strip civil rights protections for students with disabilities.

The proposed Gregg amendment would repeal the critical civil rights protections included in the Individuals with Disabilities Education Act that ensures that children with disabilities are not denied educational services. Prior to the enactment of IDEA, over half the children with disabilities in this country were receiving an inadequate education or no education at all. Under the proposal, children with disabilities could be unilaterally thrown out of school, even if the child was being "disciplined" for a behavior caused by the child's disability.

This proposal is not in the interest of children with disabilities and it is not in the interest of the nation. In fact, a similar amendment was rejected on the Senate floor last year during consideration of the reauthorization of IDEA. The Senate did not support the proposed policy last year, and we should not support it now.

Proponents of the bill claim that under current law, schools cannot discipline children with disabilities when they break the rules. That is simply not true.

IDEA allows school officials to discipline a child with a disability when discipline is warranted. IDEA already allows immediate action against a child with a disability who brings a weapon to school, who knowingly possesses, uses, or sells illegal drugs or controlled substances, or whose behavior is substantially likely to result in injury to the child or others. In addition, if the behavior resulting in the disciplinary action is not the result of

a child's disability, IDEA allows the school to apply any relevant disciplinary procedures that they would apply to a child without a disability.

Police, prosecutors, and groups representing school officials and children with disabilities all support pursuing policies that ensure that our schools are safe and conducive to learning, and to help all children, including children with disabilities, learn personal responsibility. But, discipline should never be used as an excuse to exclude, segregate, or deny services to children with disabilities.

The goal of public education is to give all children the opportunity to pursue their dreams. We must be committed to every child—even the ones who aren't so easy to teach. This amendment would undermine that goal and put children with disabilities on the street. It's bad policy and we should overwhelmingly reject it.

These amendments simply make the bad underlying bill even worse. The underlying bill uses tax breaks to subsidize parents who send their children to private schools, and it is a serious mistake. It diverts scarce resources away from public schools that have the greatest need.

The regressive Republican tax bill does nothing to improve public schools.

It does nothing to address the serious need of public schools to build new facilities and repair their crumbling existing facilities.

It does nothing to reduce class sizes in schools.

It does nothing to provide qualified teachers in more classrooms across the nation.

It does nothing to help children reach high academic standards.

It does nothing to provide after-school activities to keep kids off the street, away from drugs, and out of trouble.

It does nothing to improve the quality of education for children in public schools. Tax breaks for private schools are not the answer to the serious problems facing the nation's public schools.

This bill would spend \$1.5 billion of public tax dollars over the next 10 years on subsidies to help wealthy people pay private school tuition and other private school expenses.

According to the Joint Tax Committee, the bill will cost \$1.5 billion over the next 10 years, and half the benefits will go to the 7 percent of families that have children in private schools. That's unacceptable, when public schools are desperate for additional help.

The Joint Tax Committee also estimates that while 83 percent of private school families will use this tax break, only 30 percent of public school families will use it.

The bill disproportionately benefits private school families, and it disproportionately benefits the wealthy. The majority of the tax benefits will go to families in the highest income brackets, who can already afford to send their children to private school.

Working families do not have enough assets and savings to participate in this scheme. This regressive bill does not help families struggling to pay day-to-day expenses during their children's school years.

This so-called education bill does nothing for education. It simply provides a tax shelter for the rich.

Congress should be building new schools—not building new tax shelters for the wealthy.

Congress should be reducing class size—not reducing aid to public schools.

We know what it takes to achieve genuine education reform. The place to start is by resoundingly rejecting this defective bill, and then amending it in ways that will genuinely help the nation's schools.

The challenge is clear. We must do all we can to improve teaching and learning for all students across the nation.

We must continue to support efforts to raise academic standards.

We must test students early, so that we know where they need help in time to make that help effective.

We must provide better training for current and new teachers, so that they are well-prepared to teach to high standards.

We must reduce class size, to help students obtain the individual attention they need.

We must provide after-school programs to make constructive alternatives available to students.

We must provide greater resources to modernize and expand the nation's school buildings to meet the urgent needs of schools for up-to-date facilities.

We cannot stand by and let this regressive tax policy pass to help private schools at the expense of public schools.

Parents across the country want real solutions—not token gestures in the name of education. We should not waste \$1.5 billion of public tax dollars on a do-nothing tax break program.

I hope that my colleagues will join me today in opposing this bill. We should be doing all we can to help public schools—not abandon them.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, if I might ask the Senator from Massachusetts, it would be my intent to ask unanimous consent that this vote occur tomorrow at a time selected by the majority and minority leaders and 2 minutes be afforded each side at the time of the vote. If that is agreeable, I am going to proceed with a motion to table and ask for the yeas and nays.

Mr. KENNEDY. As described by the Senator?

Mr. COVERDELL. Yes.

Mr. KENNEDY. With that understanding, I yield back all time.

The PRESIDING OFFICER. All time has been yielded back. The Senator may proceed.

Mr. COVERDELL. Mr. President, I ask unanimous consent the vote which I will make in a moment on the motion to table this amendment occur on Tuesday at a time to be determined by the majority leader and minority leader, and that the time remaining on both sides be reserved respectively.

The PRESIDING OFFICER. Is there objection?

Hearing none, without objection, it is so ordered.

Mr. COVERDELL. Mr. President, I move to table the pending amendment of the Senator from Massachusetts and ask for the yeas and nays on the motion.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Mr. President, I ask unanimous consent to set aside the pending amendments so I might speak for 15 minutes on the legislation itself.

Mr. ROTH. I say to the distinguished Senator from North Dakota, we would have no objection to your taking 15 minutes. But we do hope it will be the understanding tomorrow that we will proceed from amendment to amendment. But with that admonition, we agree to your request.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I'm assuming the Senator would not object if this side, in keeping the balance, if we ask unanimous consent, even though we are on pending amendments, for 15 minutes to respond.

Mr. DORGAN. If I might respond to the Senator from Georgia, I certainly would have no objection to some parity in time. My understanding is that more time has been consumed on that side during this day. I assume you would also want parity. My expectation is we have a unanimous consent request by which we will dispose of this bill.

My intent and my hope was to be able to speak for 15 minutes inasmuch as this amendment was disposed of and another amendment is not now offered.

The PRESIDING OFFICER (Mr. HAGEL). The Senator from North Dakota asked for unanimous consent for 15 minutes on the bill.

Without objection, it is so ordered.

Mr. DORGAN. I have listened with interest not only to this debate but to much debate prior to this on this legislation.

Since the year 1647, when the colonists in Massachusetts created tax-supported public education, we have had a long and proud tradition in this country of public schools. By far, the majority—in fact, well over 90 percent—of the students who attend elementary and secondary schools in our country will attend public schools as part of our public education system.

We have substantial tax incentives that already exist in this country in our Tax Code to support education. I am holding a list of 16 such tax incentives. They provide over \$78 billion in tax reductions over a 5-year period for various kinds of expenditures and activities dealing with education. One of them, \$19.6 billion, is the deduction for charitable contributions to educational institutions. That is a method by which some make contributions to private schools and get tax deductions for that.

All of these provisions dealing with tax incentives are important. This Congress has generally supported them and increased them substantially last year with HOPE and lifetime learning credits, deductibility for interest on student loans and various other devices.

The question now is on a proposal offered by the Senator from Georgia. I have indicated to him previously that I am not attempting to trash the proposal itself. I think this kind of discussion begs the question, what is the priority of need? What are the rankings of need that exist with respect to education in our country?

The Senator from Georgia comes up with a proposal that says the need is that we should provide other tax incentives that allow people to put away savings to be used for public and private elementary and secondary education.

The Secretaries of Treasury and Education, in a letter dated February 9, says that this proposal, the way it is constructed, "disproportionately benefits the most affluent families." This is the Secretary of the Treasury and the Secretary of Education. This proposal "disproportionately benefits the most affluent families." Further, they say, this will not generate much additional savings in any event.

If one were going to do this, it seems to me one would want to do it the right way. The question that I come to the floor to ask is, what is the ranking of need that exists in education? What are the priorities? What represents the approach that is most in need of public investment? I want to take this down to the specifics. I know some will say this is just anecdotal and doesn't matter.

Education is one child at a time in this country. It is not some theory. It is one child at a time. I want to tell you about a young woman that I met last Wednesday morning named Rosie Two Bears. Rosie is a little second grader, bright-eyed. She has a wonderful little smile, and she goes to school in Cannon Ball, ND, a school that I visited last Wednesday, among many other schools. The Cannon Ball, ND, school is on the Standing Rock Indian Reservation, but it is a public school in a public school district with very little tax base.

I want to tell you about the school, because Rosie Two Bears, when I entered her second grade class, asked me, "Senator, will you buy us a new

school?" Well, I didn't have the answer for Rosie last Wednesday, but I want to tell you why Rosie Two Bears asks if we can buy her a new school. And I tell you this by virtue of saying this represents the need, the priority of need, not just in Cannon Ball, ND, but all across this country.

This school is, in its oldest part, some 90 years old. It sits in a desperately poor school district. It has been condemned with respect to the older part of the school as a fire hazard, among other things. It has 145 students and 40 other staff and maintenance workers. For the 145 students in K through 6th grade there are two bathrooms and one water fountain. Let me say that again: 145 kids, two bathrooms and one water fountain.

Now, one of the classes is held in what is called the choir room. It used to be the janitor closet. But they can't always hold class there because sewer gas comes backing up and you can't have a classroom when sewer gas creates such a stench that little kids will be made sick if they sit in that room. So what do they do when the sewer gas backs up and fills that old janitor's closet, which is now used as a room in which they sing and practice choir? They move those kids out of that room to some other hallway in the school.

There is a little gymnasium, very old, but there are no locker rooms, so the fourth and fifth grade basketball players must change in the bathrooms—two bathrooms in the entire school. But there is not enough room in the bathrooms, so little fourth graders are changing out in the hallway. You wonder what is it like for a fourth grade basketball player to change into his basketball clothes in the hallway because there are no locker rooms and the toilets are full, with people trying to change for the same basketball game.

You might say, what does this mean? It means, in our country, right in this country, we have schools that are in desperate condition, and we have bright-eyed, wonderful little children walking through the school door, going into a classroom where the desks are not a half inch apart—the desks are touching in every circumstance because the classroom is 8 feet by 12 feet and they have so many kids in there there is no room for even an inch between the desks. Next year, twice as many kids are supposed to be in that classroom, but they can't do that so they will break up the class. When they break up the class, one teacher handles two classes and spends 15 minutes talking to this group and then says, "All right, now I will be talking to this class for 15 minutes," in the same room and will go back 15 minutes later, in a crowded room with two classes because that represents the overflow from other classes.

I ask the question, how many of us would like our kids to walk through that school door and would say to our second grader, say to Rosie's class-

mate, "Yes this is a good education. Our country is proud of the education it gives to you." We cannot afford to put another bathroom in that school, we cannot afford to add classrooms that are of adequate size. We cannot afford to fix a school that has sewer gas seeping up through the choir room. We can't afford it. We don't have the money.

That is why I ask this question today about need. We see today a proposal coming to the Senate that says let's spend \$1.6 billion on education in a manner that the Secretary of the Treasury says will "disproportionately benefit the most affluent families." I ask the question, is that expenditure something that was determined to be more important than the Cannon Ball school? Because the Cannon Ball school is not about theory. The Cannon Ball school, on Wednesday when I visited, was about real needs for real little kids that are in the public school system hoping to catch up and keep up with every other kid that enters a classroom door in this country.

What is the ranking of need? What do we decide is important? It is unfair for me to talk just about Cannon Ball. Down the road 40 miles, I met with a school board there on Wednesday, the Standing Rock High School, run by the BIA—in effect, this Congress. It is a wonderful school. Those boys just won the State class B basketball championship. That Indian school on the Standing Rock Indian Reservation is enormously proud of those young boys. Against all odds, no one expected them to win the State high school basketball championship, but they did.

You know what is wrong with their school? They have classrooms in the gymnasium for 2 months. Their school has lighting fixtures that are leaking PCBs. It would be funny to see the national press go down and take a look at PCBs leaking from lighting fixtures or visit Rosie Two Bears in Cannon Ball. But somehow that is not sexy. Those kids aren't in classrooms, because the lights are leaking a carcinogen, so we have to clear the building out.

Is that a priority? It is our responsibility. That school belongs to the BIA. The funds for that come from this Congress. Is that a priority? Is it less of a priority than providing a tax break, the bulk of which will disproportionately benefit the most affluent families. That is the question I ask.

I am not suggesting this is wholly unworthy, or that it is an idea that has no merit. That is not what I come to suggest. I say if the U.S. Senate is prepared to say we have \$1.6 billion with which to invest in the education of young Americans, then I say the Cannon Ball school ought to have some claim to that. Rosie Two Bears and her second-grade class, sitting in a building where sewer gas forces them out of their choir room, ought to have some claim to part of that at least. We at least ought to have the opportunity to have that debate here on the floor of the Senate.

When you have unlimited wants, virtually unlimited wants and limited resources, then there is a responsibility, I think, to prioritize them. What represents our most important investment? We have a range of amendments that will be offered. There is an amendment, for example, that talks about exactly what I am discussing—school construction, the need to respond to crumbling schools, the need to be fair to Rosie Two Bears and her classmates in that second grade class. School construction. Can we help repair crumbling schools? That amendment is going to have 15 minutes of debate on each side. What an awful, awful thing for us to have done.

I hope that however we dispose of these issues, that some day, some way, on the floor of this Senate we will truly have the capability of deciding what represents our priorities in education. This may represent the priority of the Senator from Georgia; it is not mine. My priority is to decide that we have enormous challenges in public education in this country.

I am proud of our public education system. We have not come to this point in our history by accident. I mentioned when I started that, in 1647, the colonists in this country decided to begin a tax-supported system of public education. What an enormously important element in our country's future and our country's history, to have decided that every young American can become everything that his or her natural talents will allow, because we are going to create a public education system that allows every single one of them that opportunity. That has been our tradition and must be our future.

When we talk about \$1.6 billion, the question is, if that \$1.6 billion is available, what do we use it for? What do we use it for? Do we use it to fix those schools that are falling down on these kids? Or do we add a teacher to a class that is twice the size it ought to be? Or do we provide another tax credit in which over half of the benefit will go to 7 percent of the students in private schools?

I say to the Senator from Georgia, I have great respect for him as a legislator; I just disagree with the priority. Based on a ranking of needs, there is no question as to what the answer is. The answer is that we ought to, as a country, decide that our investment in the public education of this country is paramount. And when we have problems that local school districts can't correct, where they don't have the tax base and the resources to make investments on behalf of those kids, then we are going to try to help them some way or another. If \$1.6 billion is what we have today, then I say that is the way we ought to use that money. That is the debate we must have.

We have a good number of amendments pending or to be offered of legislation. I know that the Senator from Georgia has always maintained there has been a filibuster on this legisla-

tion. In fact, I maintain that there has been a lockout and has always been a lockout. The reason people have had a problem getting this to the floor is, they wanted to bring it to the floor by saying: This is our idea, and if you have another one, we may allow you to debate it, but only minimally. We are not going to allow the Senate to do its regular order, because we are not going to allow an amendment and allow you to debate the amendment for 3 or 4 hours.

We were involved in that for a long while. Now we are back on the issue and we are stuck in a situation where, I guess, in order to have this bill considered and to have our amendments in order, we had to agree to 15 minutes of debate on each side on an amendment that addresses the central issue I have been talking about—investment in school construction.

Mr. COVERDELL. If the Senator will yield for 10 seconds. The amendment to which the Senator spoke for most of his remarks has an hour for debate.

Mr. DORGAN. Well, that makes my point. That is 30 minutes on each side to talk about the central issue in education, about the need for investment in infrastructure in education. You just can't expect these little kids to walk through a school door and say, "By the way, we know this school is in disrepair, falling down around you." The Cannon Ball school I mentioned, they have a heater, but they don't have an automatic switch for it. And this school can't hook-up to the Internet because the wiring is so old. But back to the heater, they turn the heater on by climbing up a scaffold to the ceiling of the gymnasium and turning a manual switch.

My point is that a half hour on each side is not enough. That is twice as much as I suggested, because that amendment gets a little more than others. But a half hour on each side is not nearly enough to debate the central problems of how much we should invest and how we invest in the needs of public education. That is my problem with the legislation the Senator from Georgia has offered. There are better amendments. I hope one will be approved as we move along, and I hope we will have a longer period of debate on education sometime later in this Congress.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

AMENDMENT NO. 2288

Mr. BUMPERS. Mr. President, I call for the regular order regarding the Mack amendment.

The PRESIDING OFFICER. The amendment of the Senator from Florida, Senator MACK, is now pending.

Who yields time?

Mr. BUMPERS. Mr. President, I yield myself such time as I may use in opposition to the amendment.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, it is my understanding that, by unanimous consent, their side has 15 minutes on this amendment. I assume that is what the Senator is using.

Mr. BUMPERS. The Senator is correct.

The PRESIDING OFFICER. The Senator is recognized for up to 15 minutes.

Mr. BUMPERS. Mr. President, I rise in opposition to the Coverdell bill. Let me start by saying that I served on the school board of Charleston, AR, population 1,200, for 12 years before I ran for Governor of my State. I have often said—not entirely facetiously—that I ran for Governor to get off the school board because that is the worst job I ever had. It was a poor school district. When we asked the people of that district, though, for millage increases to build new facilities, not one single time, in my memory—not just the 12 years I served on the school board—did the people ever defeat a millage increase to improve the plight of our students. That situation still exists. The reason it was so difficult is because salaries were pitifully low.

When I got out of law school, I didn't know what I was going to do, but I knew I wasn't going to make very much money practicing law. Betty went to work teaching third grade in the Charleston Elementary School at the princely sum of \$125 a month. That is what we lived on. Things were very tough. In a relative sense, things are not all that much better right now. Incidentally, Charleston was the first school in the South to integrate schools after the Brown decision in 1954. Yes, my little hometown was the first school south of the Mason-Dixon Line to integrate its schools following the Brown decision. We are proud of that.

I am a great champion, as a result of my experience on that school board, of public education. I have nothing against private schools. When I was elected Governor, because I was apprehensive about the safety of a couple of my children, I sent them to private schools. I was concerned about their safety not because of the schools, but because their father was Governor. The second reason I sent them, of course, is that I had the money to do it.

Under the Coverdell bill, if we are going to spend \$1.6 billion over 10 years, that equates to the princely sum of \$160 million a year. Do you know what that does for education in this country? Nothing. That is not a drop in the bucket compared to the educational needs of this Nation.

Senator MOSELEY-BRAUN has an amendment to rebuild the crumbling infrastructure of the school buildings in this country. I think it is \$5 billion over a 5-year period. That doesn't even begin to address the problem when you consider the fact that 93 percent of the money under this bill goes to the wealthiest people in America, goes to

those people who go to private schools, and 7 percent goes to the other 85 percent of the people in America who go to public schools. I repeat—this is a Treasury Department figure—93 percent of the dollars that would go for education under this bill goes to the families who send their children to private schools. That is 12 percent. Seven percent of the money goes to the other 85 percent. That tells you all you need to know about what this bill is all about. It doesn't address the problems of education in the country. It simply extends those IRAs to the first 12 grades. That in itself is nonsense.

If all of this money is going for private schools, then there is not very much of it—\$37 a year—for a family who sends their children to a private school. Who is going to send their kid to a private school for \$37 a year? But more importantly, the people who send their children to public schools get the princely sum of \$7 a year.

So you have to ask, what is going on here? What do we think we are going to do for somebody for \$7 a year, or even the wealthy people for \$37 a year?

Mr. President, that tells you one thing. The reason I am so stridently opposed to this bill is that it is a nose under the tent of crooks to aid private schools, even though it be very small and it is a diminution of public education. I can tell you where you are headed. You are headed toward the abandonment of public education in this country, and you are headed for one of the biggest disasters of the Nation when you go to vouchers. I am adamantly, and always have been, opposed to vouchers. But I can tell you that will ultimately be the end result of this bill.

Our educational system is not perfect—never has been, never will be. But the reason we had a tough time in Charleston, the reason we have a tough time in America in public education is we are not committing the resources to it. We have a \$50-billion surplus this year. Think about it. Six years ago we were looking at a \$300-billion deficit. Today, we are looking at a \$50-billion surplus.

I am not voting for tax cuts. I am not going to vote to spend that \$50 billion for tax cuts when we have 40 million people with no health insurance. We have an educational system that is 13th among 17 developed nations of the world. We have environmental problems that are going to cost billions and billions to solve.

I will tell you what I would like to do if I were king. I can tell you Bill Clinton agrees with this. I would start a GI bill to make sure that every child in America got a college education. They would get a Pell grant—not loans. They would get grants. Every kid in America—86 percent of the people in this country—would go to college if they had the money. If it had not been for the GI bill waiting for me when I got out of the Marine Corps in 1946, I wouldn't be standing here. There are

about seven other Members of the Senate who would not be here either if it had not been for the GI bill. If you want to spend that \$50-billion surplus, give the children of America a college education and make sure they get it.

Mr. President, I will close by saying, if I had my way, in addition to giving every child a college education, I would also reeducate the teachers of America. I can remember when the Carnegie Foundation started the program to allow teachers of this country—a limited number of them—to improve their skills by going to summer seminars about 10 or 12 years ago. The first one was at the University of Texas which had a summer seminar dealing with Virgil's Aeneas and Homer's Ulysses, comparing them, and 4,400 schoolteachers applied for 250 spots. That shows teachers want to improve their education if they had the money.

Since that time we have done a little bit in the National Endowment for the Humanities. If I had my way about it, every schoolteacher in this country would be making a minimum of \$50,000. How do you expect teachers to spend all of this time going to college and then standing out there and getting killed, as one in my State did 3 weeks ago in Jonesboro, AR? And we pay them \$25,000 or \$30,000 a year. They can go to law school and start at \$75,000 to \$100,000 a year. Why would anybody want to teach school when it is a dangerous profession among other things? The pay is miserable. Those are the reasons our educational system is lacking.

Mr. President, I will not belabor it any longer but to simply say this is precisely the wrong thing to be doing if you are trying to improve education in this country. Improve the teacher quality, improve the buildings they go to school in, improve the safety of the teachers, and improve the discipline in the classroom. This is a nose-under-the-tent approach.

I cannot state it strongly enough. I thank God Bill Clinton is in the White House. He will veto this thing the minute it hits his desk. I will praise him for it.

I yield such time as may be remaining in opposition to the MACK amendment.

Mr. COVERDELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. COVERDELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, how much time remains on our side?

The PRESIDING OFFICER. The Senator has 2 minutes 10 seconds.

Mr. COVERDELL. Mr. President, there is no time remaining on the other side?

The PRESIDING OFFICER. The Senator is correct.

Mr. COVERDELL. Mr. President, let me just quickly say that the Senator from Arkansas was speaking to the Mack-D'Amato amendment, and he implored the Senate to be conscious of the fact that we should be very concerned about the condition and quality of teachers. The purpose of the amendment to which he was speaking, and I read, is "to provide incentives for States to establish and administer periodic teacher testing and merit pay programs for elementary school and secondary schoolteachers."

When Senators MACK and D'AMATO were here speaking for the amendment, they characterized what is important in a classroom in America is a teacher, is a teacher, is a teacher, which is the purpose of the amendment to which the Senator from Arkansas rose in opposition.

I yield back our remaining time.

The PRESIDING OFFICER. All time is yielded back.

AMENDMENT NO. 2290 TO AMENDMENT NO. 2288  
(Purpose: To provide incentives for States to establish and administer periodic teacher testing and merit pay programs for elementary school and secondary school teachers)

Mr. COVERDELL. Mr. President, I send an amendment to the desk on behalf of Senator D'AMATO.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for Mr. D'AMATO and Mr. MACK, proposes an amendment numbered 2290 to amendment No. 2288.

Mr. COVERDELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first word, and insert the following:

— **STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY.**

(a) **SHORT TITLE.**—This section may be cited as the "Measures to Encourage Results in Teaching Act of 1998".

(b) **FINDINGS.**—Congress makes the following findings:

(1) All students deserve to be taught by well-educated, competent, and qualified teachers.

(2) More than ever before, education has and will continue to become the ticket not only to economic success but to basic survival. Students will not succeed in meeting the demands of a knowledge-based, 21st century society and economy if the students do not encounter more challenging work in school. For future generations to have the opportunities to achieve success the future generations will need to have an education and a teacher workforce second to none.

(3) No other intervention can make the difference that a knowledgeable, skillful teacher can make in the learning process. At the same time, nothing can fully compensate for weak teaching that, despite good intentions, can result from a teacher's lack of opportunity to acquire the knowledge and skill needed to help students master the curriculum.

(4) The Federal Government established the Dwight D. Eisenhower Professional Development Program in 1985 to ensure that



teachers and other educational staff have access to sustained and high-quality professional development. This ongoing development must include the ability to demonstrate and judge the performance of teachers and other instructional staff.

(5) States should evaluate their teachers on the basis of demonstrated ability, including tests of subject matter knowledge, teaching knowledge, and teaching skill. States should develop a test for their teachers and other instructional staff with respect to the subjects taught by the teachers and staff, and should administer the test every 3 to 5 years.

(6) Evaluating and rewarding teachers with a compensation system that supports teachers who become increasingly expert in a subject area, are proficient in meeting the needs of students and schools, and demonstrate high levels of performance measured against professional teaching standards, will encourage teachers to continue to learn needed skills and broaden teachers' expertise, thereby enhancing education for all students.

(c) PURPOSES.—The purposes of this section are as follows:

(1) To provide incentives for States to establish and administer periodic teacher testing and merit pay programs for elementary school and secondary school teachers.

(2) To encourage States to establish merit pay programs that have a significant impact on teacher salary scales.

(3) To encourage programs that recognize and reward the best teachers, and encourage those teachers that need to do better.

(d) STATE INCENTIVES FOR TEACHER TESTING AND MERIT PAY.—

(1) AMENDMENTS.—Title II of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6601 et seq.) is amended—

(A) by redesignating part D as part E;

(B) by redesignating sections 2401 and 2402 as sections 2501 and 2502, respectively; and

(C) by inserting after part C the following:

**"PART D—STATE INCENTIVES FOR  
TEACHER TESTING AND MERIT PAY**

**"SEC. 2401. STATE INCENTIVES FOR TEACHER  
TESTING AND MERIT PAY.**

"(a) STATE AWARDS.—Notwithstanding any other provision of this title, from funds described in subsection (b) that are made available for a fiscal year, the Secretary shall make an award to each State that—

"(1) administers a test to each elementary school and secondary school teacher in the State, with respect to the subjects taught by the teacher, every 3 to 5 years; and

"(2) has an elementary school and secondary school teacher compensation system that is based on merit.

"(b) AVAILABLE FUNDING.—The amount of funds referred to in subsection (a) that are available to carry out this section for a fiscal year is 50 percent of the amount of funds appropriated to carry out this title that are in excess of the amount so appropriated for fiscal year 1999, except that no funds shall be available to carry out this section for any fiscal year for which—

"(1) the amount appropriated to carry out this title exceeds \$600,000,000; or

"(2) each of the several States is eligible to receive an award under this section.

"(c) AWARD AMOUNT.—A State shall receive an award under this section in an amount that bears the same relation to the total amount available for awards under this section for a fiscal year as the number of States that are eligible to receive such an award for the fiscal year bears to the total number of all States so eligible for the fiscal year.

"(d) USE OF FUNDS.—Funds provided under this section may be used by States to carry out the activities described in section 2207.

"(e) DEFINITION OF STATE.—For the purpose of this section, the term 'State' means each

of the 50 States and the District of Columbia."

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on October 2, 1999.

(e) TEACHER TESTING AND MERIT PAY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a State may use Federal education funds—

(A) to carry out a test of each elementary school or secondary school teacher in the State with respect to the subjects taught by the teacher; or

(B) to establish a merit pay program for the teachers.

(2) DEFINITIONS.—In this subsection, the terms "elementary school" and "secondary school" have the meanings given the terms in section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801).

Mr. COVERDELL. Mr. President, I ask unanimous consent to lay aside all pending amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2291

(Purpose: To amend section 6301(b) of the Elementary and Secondary Education Act of 1965 regarding same gender schools)

Mr. COVERDELL. Mr. President, on behalf of Senator KAY BAILEY HUTCHISON, of Texas, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for Mrs. HUTCHISON, proposes an amendment numbered 2291.

Mr. COVERDELL. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end, add the following:

**TITLE —EQUAL EDUCATIONAL  
OPPORTUNITY**

**SEC.—01. EQUAL EDUCATIONAL OPPORTUNITY.**

Subsection (b) of section 6301 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7351) is amended—

(1) in paragraph (7), by striking "and" after the semicolon;

(2) in paragraph (8), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(9) education reform projects that provide same gender schools and classrooms, as long as comparable educational opportunities are offered for students of both sexes."

Mr. COVERDELL. Mr. President, I ask unanimous consent that all amendments be laid aside and that I be given up to 15 minutes, as we discussed earlier, to respond to the remarks of the Senator from North Dakota.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. First, I want to come back, as I probably will have to do all week long, to respond to the characterization of the nature of the education savings account that is a title—one piece—of the bill that is before the Senate. The Senator from Massachusetts, the Senator from North Dakota, and the Senator from Arkansas have characterized the distribution of these moneys. I do not know where they are getting their figures. I think

the Senator from Arkansas indicated that some 90 percent of the proceeds of the education savings account would end up in support of students in private schools. That is just absolutely and totally incorrect.

Let me run it down one more time.

This education savings account is identical, the same—I underline "the same"—as the education savings account embraced by the President, that he was applauding, passed with a majority of their votes, Senate and House, and signed on the White House lawn in a huge celebration. We were celebrating the fact that we had created an education savings account that would help middle-income people pay for the cost of higher education. That savings account that we celebrated, that the President signed and took pride in authorship, although there were a lot of authors, allowed a family, a middle-class family, to save \$500 a year and the interest buildup would not be taxed if they used it for the cost of higher education.

That is what we passed, that is what he signed, and that is what we celebrated.

This education savings account is identical and for the same people who are middle class just like the others. The only differences are these. We have said you should be able to save more than \$500. Let's let people save up to \$2,000. If we are going to help people pay college bills, we better make it substantive enough that they will really do it. The second change is that we said, if you need it before then, you can use it. If you need it for kindergarten or first grade or third or fourth or fifth or sixth or middle school or junior high or high school, if the problem occurs there, you can use it, or you can keep it for college, or, if the student is disabled, even up to age 30. So we just took the idea for middle-income taxpayers and said we are going to make it bigger so it can be used in different ways.

That is the only difference. And yet we have a parade of people down here saying this account is for rich people. It is the same people, identical, that they designated. It is for college. It is for 1st grade through 12th. Then they say, well, this is all going to go to a family that is sending their child to a private school.

The first thing to remember is that it is the family's money. This is not tax money or public money. This is money that they reached in their pocket to put in the savings account. So it sort of stands to reason they maybe ought to have some say about where it goes since it is theirs. But if we are concerned about the distribution of public and private, it is important to note that 70 percent of the families who use the savings accounts will have children in public schools and 30 percent will have children in private schools—70 in public schools, 30 in private. The amount of money is equally divided, not 90 percent to private schools but equally divided. It is about 50–50.

You could ask yourself, well, if 70 percent of the families have children in public schools, why doesn't 70 percent of the money go there? It is because the families with children in private schools know they have a higher hurdle to get over and they are going to tend to save more. They are going to spend more. But it is still about 50–50.

They talk about the expenditure. This one is a little unique. But they seem to feel that if you leave a person's money they earned in their checking account and do not tax it, you have done them a favor. That argues that the Government owns all the money and decides what little pieces to give back to you. This is the people's money. The tax that will be saved by 14 million American families is \$520-some-odd million for 5 years in a \$1.6 trillion operation. We would leave \$500 million over 5 years in their savings accounts.

What is stunning to me is what it makes those American families do. They go out and save \$5 billion. This is \$5 billion that no school, no student will be able to take advantage of if we do not do this. It will never appear. So, by using this modest tax incentive, Americans do huge things. They save big dollars and every school system in America will benefit. Run down the litany—14 million families, over 20 million children, over \$5 billion being volunteered to come in to back up education needs, without any local school district having to raise a dime of taxes; volunteer dollars, families stepping forward trying to help their children.

You heard this is not a priority, just forget the 14 million families. They try to make the juxtaposition that this is either/or, it is a savings account or school construction. The other side needs to review and be mindful of several things. First of all, this is a bipartisan effort. The principal cosponsor of this bill sits right over there. His name is Senator TORRICELLI, from New Jersey. Another key one is right up here, and that is Senator LIEBERMAN, from Connecticut. And right over there is Senator BREAU from Louisiana. Midway over there is Senator GRAHAM of Florida. These are authors of this proposal too.

It is not just an Education Savings Account we are debating. We have heard a lot about school construction here. They need to review the proposal as offered by their side, Senator GRAHAM of Florida, which expands the ability of local school districts to finance school construction. That is right here. If school construction is important, it is part of the proposal. We have education savings accounts. We encourage States for early prepaid tuition. This encourages employers to pay for continuing education costs for their employees. One million employees will be positively affected by this.

As I said, school construction will be a part of the proposal, and helping the National Health Corps scholarships. All of these are what the bill is. Education savings accounts, I think, are a very

important piece, but they are just a piece. And, I might add, in terms of the—they call it costs—in terms of leaving the amount of money in the individual checking accounts, it is a minor cost as compared to the total. It is about 15 percent of this total proposal that is involved in the education savings account. So, once again, it helps families create savings accounts to help kids, a lot of them—20 million. It helps States create prepaid tuition. We heard a lot here about, "Let's get people into college," from the Senator from Arkansas. That is exactly what this bill does. It also helps employers continue to educate people. It helps build schools. All of this is in this proposal.

Having said that, since we have heard the Senator from North Dakota talk about the quality of a school—we want quality buildings. That is principally a State responsibility. We want to be careful we do not reward people who have not been getting the job done. There have been a lot of States building a lot of schools. If some haven't seen to that, it is not our job. You want to make sure everybody is being treated fairly here.

The last thing I say on that is, my dad was educated in a one-room schoolhouse. They had all the grades in one room. He learned how to read; he learned how to write; he learned how to add and subtract. In that one room, they gave him the tools he needed to be a full-fledged American citizen. And that is the problem here. We have hundreds of thousands of children coming out of grades K–12 who cannot read right, and they can't add, and they can't write. And the numbers are astounding. In city schools, only 4 in 10 can pass a basic exam; put all the schools together, only 6. An uneducated mind is denied full citizenship and the privileges and opportunities of that citizenship in the United States, and we have too many kids coming out where we are stunting their citizenship, their participation. We have to stop it.

There needs to be change. These are not all the ideas; they are some of them. Just to sit and defend the status quo is unconscionable.

Mr. President, I yield whatever of the 15 minutes was left, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I ask unanimous consent to discuss briefly a Senate resolution relating to the Pulitzer Prize just won by a major newspaper in my State.

The PRESIDING OFFICER. Without objection, it is so ordered.

## RECOGNIZING THE GRAND FORKS HERALD

Mr. CONRAD. Mr. President, Senator DORGAN and I have prepared a resolution recognizing the remarkable work of the Grand Forks Herald in covering the disasters that beset that city last year.

The Chair will recall that we faced a circumstance of the worst winter in our history, followed by the most powerful winter storm in 50 years, followed by the worst flooding in 500 years, then followed by fires that destroyed much of downtown Grand Forks. The Grand Forks Herald, through it all, kept putting out the daily newspaper. It didn't matter that their own building was flooded or burned out. They kept producing that newspaper day after day after day.

More than producing a newspaper, they produced a remarkable document that told the story. They have been recognized broadly for their remarkable performance. I can tell you, Mr. President, in the community that newspaper is revered, because they were there at a time of maximum danger and threat to the community and they helped hold that community together.

Today I will be offering a resolution on behalf of myself and Senator DORGAN in recognition of the Pulitzer Prize that has now been extended to that newspaper for their remarkable public service. We are incredibly proud that the Grand Forks Herald has been so recognized. They are richly deserving. I hope my colleagues today on both sides will clear this resolution so that we can have the respect extended to that newspaper that they so richly deserve.

I thank the Chair. I especially thank my colleague, the leader, from South Dakota for his indulgence in permitting me to discuss this resolution. We, again, are seeking support on both sides so that this resolution can be adopted today and entered into the RECORD. I also thank my colleague from Georgia, Senator COVERDELL, for permitting me to talk about this resolution, albeit briefly.

Mr. DORGAN. Mr. President, I rise to speak today about the honor bestowed upon the Grand Forks Herald last week. That newspaper received the Pulitzer Prize for Public Service news coverage, for its heroic efforts throughout the flood and fire that ravaged Grand Forks, North Dakota in April 1997.

The actions of the Grand Forks Herald during the flood set a new standard for performance under pressure. Let me make clear that while the award they have deservedly won is a journalism award, their service to the community goes far beyond the borders of journalism. The fact of the matter is that while this community was being inundated by water and fire, the Grand Forks Herald helped to hold it together by providing information that reassured and reunited families. The Herald